Daily Report

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CONTENTS

NOTICE TO READERS: * indicates material not disseminated in electronic form.

ALBANIA

Alia Sends Gorbachev Telegram on Reinstatement *[Tirana Radio]* 1
Italian Delegation Negotiates Aid Delivery *[ATA]* 1
Pashko, Kapllani Receive South Korean Delegation *[ATA]* 1
Kapllani on Visit to Israel, Gorbachev's Reinstatement *[ATA]* 1
Reportage on Foreign Minister's Visit to Israel *[cross-reference]* 2
Opposition Parties Coordinate Work, Issue Demands *[Tirana Radio]* 2
Socialist Party Warns of 'Savage Right-Wing Dictatorship' *[ZERI I POPULLIT 11 Aug]* 2

BULGARIA

Yeltsin Thanks President Zhelev for Support *[BTA]* 4
Coup Leaders Sought Support From Government *[BTA]* 4
Daily on Yanayev's Attempts To Win Support *[BTA]* 4
Commentary on BSP Failure To Condemn Coup *[BTA]* 4
Japan Commends Zhelev's Stand on Soviet Coup *[BTA]* 5
Government Works Out Agreement on Miners Strike *[Sofia Radio]* 5
Miners on Alert *[BTA]* 6
Popov: Former State Security Agents Infiltrated Podkrepa *[BTA]* 6
All Obstacles Overcome for Mid-October Elections *[BTA]* 6
Zhelev Issues Decree *[BTA]* 7
BSP Coalition Proclamation *[DUMA 16 Aug]* 7
BZNS-United Leadership Discusses Upcoming Elections *[ZEMEDELSKO ZNAME 15 Aug]* 7
Status of Electric Power Supply, Possible Cuts *[Sofia Radio]* 8
Ludzhev Criticizes 'Noise' About Turkish Message *[BTA]* 8
Former Regime Data 'Leaked' to Masonic Lodge *[BTA]* 8
Army Declassifies 1968 CSSR Archives *[Sofia Radio]* 8
Unemployment Statistics, Problems Reviewed *[BTA]* 9

CZECHOSLOVAKIA

Yeltsin Cables Havel on Support, Future Plans *[Prague Radio]* 10
Havel on USSR Events, Army, Slovak Home Guard *[Prague Radio]* 10
Federal Assembly Hails Soviet Democratic Forces *[CTK]* 10
Defense Ministry Assesses Impact of Soviet Crisis *[Bratislava Radio]* 10
Communist Party Airs Views on Soviet Events *[CTK]* 11
Dailies Examine Implications of USSR Coup *[CTK]* 11
Calfa Worried About 'Roots' of New Economy *[Prague Radio]* 12
Inflation Reported To Rise Faster Than Wages *[OBCANSKY DENIK 15 Aug]* 13
Slovaks Blame Czechs for Agricultural Ills *[NARODNA OBRODA 21 Aug]* 13
Daily Cited on 'Mysteries' Around Tank Exports *[NARODNA OBRODA 20 Aug]* 13
Economic Cooperation With South Africa Viewed *[HOSPODARSKE NOVINY 15 Aug]* 13

HUNGARY

President, Prime Minister Cable Gorbachev *[MTI]* 15
Government Receives Gorbachev, Yeltsin Letters *[Budapest Radio]* 15
'Unconstitutional' Steps in USSR Crisis Viewed *[MTI]* 15
Foreign Minister Discusses Hungarians in West *[UJ MAGYARORSZAG 18 Aug]* 16
Goncz Discusses Relations With Slovakia *[SLOVENSKY DENNIK 16 Aug]* 18
Figures Show Yugoslav Trade Developing Favorably *[MAGYAR HIRLAP 21 Aug]* 19

POLAND

Walesa Comments on Soviet Situation, Ramifications *[Warsaw TV]* 20
Walesa, Bielecki Assess USSR Coup Aftermath *[PAP]* 20
Government Spokesman Comments on USSR Events *[Warsaw Radio]* 21
Politicians Welcome End to USSR Coup Attempt *[PAP]* 21
Commentary Views Soviet Coup, Central Europe *[Woycicki in ZYCIE WARSZAWY 20 Aug]* 22
Skubiszewski on Soviet Troop Withdrawal Issue *[PAP]* 22
Soviet Army Withdrawal Talks Continue *[PAP]* 22
Solidarity Members Allowed to Contest Elections *[PAP]* 23
Farmers Plan Nationwide Strike on 5 September *[Warsaw Radio]* 23

ROMANIA

Iliescu Cables Gorbachev Upon Return to Power *[ROMPRES]* 24
Iliescu Congratulates Yeltsin, Calls Him 'Hero' *[ROMPRES]* 24
Iliescu Receives Letter, Thanks From Yeltsin *[ROMPRES]* 24
Iliescu, Roman, Party Leaders on Moscow Events *[ROMPRES]* 24
FSN Members, TU Delegates Support Democracy *[ROMPRES]* 25
'Faults' in Economic Accord With Moldova Noted *[ROMANIA LIBERA 16 Aug]* 25
Romanian Parliamentarians Meet Press in U.S. *[ROMPRES]* 26
Nastase Meets Mitterrand in Paris *[ROMPRES]* 26
Iliescu's Privatization Statement Viewed *[ADEVARUL 15 Aug]* 27

YUGOSLAVIA

Federal

General Adzic on Resolving Yugoslav Crisis *[TANJUG]* 30
Presidency Session Begins in Belgrade *[TANJUG]* 30
Mesic Receives Al-Qadhdhafi's Special Envoy *[TANJUG]* 30
Government Hails USSR Developments *[TANJUG]* 30
Loncar on Soviet Events, Bonn Attitude *[Belgrade Radio]* 31
Presidency Forms Commission for Accord Proposals *[TANJUG]* 31
Commission for Future Political Agreement Formed *[Ljubljana Radio]* 32

Croatia

Tudjman Cables SFRY Presidency on Situation *[Zagreb Radio]* 32
Council Denies Importance of Presidency Session *[TANJUG]* 33
Supreme State Council Statement on Defense *[Zagreb Radio]* 34
Government Decisions on Refugees, Injured *[Zagreb Radio]* 34
Granic Comments on Refugee Situation *[TANJUG]* 35
Industry Securing Arms Production *[TANJUG]* 35
Attack on Cease-Fire Group Denied *[Zagreb Radio]* 35
Interior Ministry Revised Death Count *[TANJUG]* 35
Four Injured by Bomb in Karlovac Restaurant *[Zagreb Radio]* 36
Armed Clashes Continue in Pakrac *[TANJUG]* 36
Osijek Military Command Demands Electricity Supply *[Belgrade Radio]* 36
Army Unit Supplies Remain Cut Off in Osijek *[Belgrade Radio]* 36
Army Claims Aircraft Fired Upon in Sarvas *[Belgrade Radio]* 37
Red Cross Vehicles Attacked Near Pokule *[Zagreb Radio]* 37
Ogulin Special Unit Member Killed in Trzic *[Zagreb Radio]* 37
'Fierce' Fighting Reported in Komarevo, Sunja *[Zagreb Radio]* 37
Eight Serbs Reported Killed Near Sisak *[Belgrade Radio]* 37
Air Force Bombs Slavonian Village of Banat *[Zagreb Radio]* 38
Slavonija, Baranja Clashes Wound 18, Kill One *[Zagreb Radio]* 38
Army Controls Knezevo Border Crossing *[Belgrade Radio]* 38
Attack on Czech-Populated Village Reported *[Zagreb Radio]* 38

Alia Sends Gorbachev Telegram on Reinstatement

AU2208201291 Tirana Radio Tirana Network in Albanian 2000 GMT 22 Aug 91

[Text] Ramiz Alia, president of the Republic of Albania, has sent the following telegram to Soviet President Mikhail Gorbachev:

Respected Mikhail Gorbachev: I send you my cordial greetings, now that you have overcome such serious and dangerous moments for you and for the Soviet Union. The failure of the coup d'etat, which, by overthrowing you, tried to turn back the clock in the Soviet Union, is a victory for democracy. It shows that the process of democratization cannot be halted by any force led by adventurers or revanchists who are against the people's will, the law, and constitutional order.

I express the hope that the relations of friendship between the Soviet Union and the Republic of Albania will progress and develop in the interests of our two countries.

Italian Delegation Negotiates Aid Delivery

AU2208192491 Tirana ATA in English 1759 GMT 22 Aug 91

[Text] Tirana, August 22 (ATA)—From August 19 to 22, negotiations were conducted between the working groups of the Foreign Ministry of the Republic of Italy and the Ministry of Foreign Economic Relations of the Republic of Albania, to examine the promotion and speeding up of operations by the Italian party of the aids consisting of foodstuff articles. Both parties defined the needs for the months of September, October and November. The Italian party took upon itself to bring within these three months the following quantities: wheat 100 thousand tons, sugar 23 thousand tons, rice 8 thousand tons, edible oil 15 thousand tons, meat 13 thousand tons, butter 2,400 tons, powdered milk 6 thousand tons, eggs 66 million, flour 10 thousand tons, beans 3300 tons, soap and detergent 2.6 million liras.

With the Italian party it was discussed on the speeding up of the procedures of the load-unload processes of the raw materials which are included in the account of the second credit accorded by the Italian party. Likewise, the two working groups discussed on the determination of the priorities the Albanian party has in the investments to take place in Albania in the framework of the three-year cooperation between the two countries.

The Italian delegation headed by Mr. Zanghi, head of the Emergency Office at the Italian Foreign Ministry was received by the minister of foreign economic relations, Ylli Cabiri. In this meeting Mr. Zanghi voiced the predisposition of the Italian party to bring in time the commodities to the assistance of the Albanian people.

Pashko, Kapllani Receive South Korean Delegation

AU2208192691 Tirana ATA in English 1805 GMT 22 Aug 91

[Text] Tirana, August 22 (ATA)—On August 22, the deputy chairman of the Council of Ministers and minister of economy, Dr. Gramoz Pashko, received the delegation of the Republic of Korea, which is in our country on an official visit. During the reception, both parties were of the opinion that the establishment of the diplomatic relations between the two countries creates the possibility of the rapid materialisation of the economic, financial, technical-scientific cooperation etc. Opinions were exchanged on the signing of a number of agreements which will make up the necessary legal framework for the commitment of the South Korean firms to invest in various branches of the Albanian economy.

Likewise, on August 22, the minister of foreign affairs, Muhamet Kapllani received the delegation of the Republic of Korea, headed by Ambassador Doo-Byong Shin [name as received].

In course of the talks they treated of the problems of the forthcoming establishment of diplomatic relations between the Republic of Albania and the Republic of Korea.

Upon its stay in our country the delegation of the Republic of Korea was received also at the Ministry of Foreign Economic Relations, the Ministry of Finances, the Ministry of Industry, Food etc.

Kapllani on Visit to Israel, Gorbachev's Reinstatement

AU2208192791 Tirana ATA in English 1808 GMT 22 Aug 91

[Text] Tirana, August 22 (ATA)—The Foreign Minister Muhamet Kapllani, who has just returned from an official visit to Israel, held on August 22 a briefing at the seat of the Ministry of Foreign Affairs with the participation of journalists from various press organs, radio, TV and ATA.

Responding to the numerous questions of the journalists, he said that the importance of the diplomatic relations between Albania and Israel emerges from the mutual interest of our two countries and peoples. The Israeli leaders, with whom we met and had talks, evaluated the relations with Albania and voiced the readiness to materialise the bilateral relations and cooperation, especially on the economic plane. Minister Kapllani announced that in September a team of Israeli experts in the field of economy and finances will come to Albania to examine Albania's needs in these fields and to concretise the ways and forms and what kind of aid Israel might accord.

Asked on the relations of Albania with the Arab countries, the foreign minister underscored that Albania

considers the Arab countries as friendly countries bound with them by traditional ties. The establishment of diplomatic relations with Israel does not mean any change in the stand to the relations with the Arab countries. We are for relations with all parties, which is something good for the peoples of the Middle East themselves.

We are for the solution of the Middle East conflict peacefully and through dialogue, for the solution of the Palestinian problem which is the key to the solution of the Middle East crisis, as we are for that the Palestinian people, Israeli one and the other peoples of the region find the ways to coexist in peace and understanding with each other.

Speaking of the failure of the coup d'etat in the Soviet Union, Muhamet Kapllani said that it failed because the pro-perestroyka forces and the democratic processes were more powerful. This has to do not only with the ratio of political forces, but first of all with the stand of the rank-and-file people, who reacted in a way which was in favour of Gorbachev and perestroyka and against the conservative forces which organised the coup d'etat. Gorbachev's return is a victory of the democratic forces in the Soviet Union, it is to the benefit of those forces which stand for perestroyka, dialogue in the international relations, the democratisation and peace.

Reportage on Foreign Minister's Visit to Israel

WA2208142491

For Israeli reportage on the visit by Foreign Affairs Minister Muhamet Kapllani to Israel, including reports on his talks with Israeli Foreign Minister Levi and the establishment of diplomatic relations, see the Israel section of the 19 August Near East & South Asia DAILY REPORT.

Opposition Parties Coordinate Work, Issue Demands

AU2208193091 Tirana Radio Tirana Network in Albanian 1800 GMT 22 Aug 91

[Text] A joint declaration issued by the Democratic Party, the Republican Party, and the Social Democratic Party states among other things that, faced with the need to accelerate the establishment of genuine democracy in Albania, the Democratic Party, the Republican Party, and the Social Democratic Party consider it necessary to further coordinate their political work.

Regardless of the achievements of the democratic revolution in Albania so far, these parties think that, to avert chaos and to help establish stability as far as possible, it is an urgent task to take joint concrete political measures:

1. It is necessary to dissolve the State Security Service [Sigurimi], which bears responsibility for monstrous acts against the Albanian people and nation during the period of the Enverist dictatorship and the period of pluralism. It is responsible for the state of chaos and the crime (?wave). We are convinced that the organizers of the refugee exoduses were certain officials in the State Security Service, who have remained tools of the Red (?pashas). We therefore call for the criminal prosecutions of the organizers of these exoduses, of whatever rank they may be.

2. The media, the radio, the television, ATA, and local radio stations and newspapers still operate as instruments of monism, censuring free and democratic thought. The relevant parliamentary bodies should intervene to replace the directors of the radio and television and the chiefs of editorial boards. The Parliamentary Information Commission should create interparty councils to supervise the radio and television. All party newspapers should have the same material conditions. District executive committees should appoint the editorial boards of local newspapers and place them under their auspices.

3. The Foreign Ministry is not responding to the radical changes that have taken place in Albania, and is becoming a serious hindrance to the creation of new relations between Albania and other countries. The apparatus of the Foreign Ministry and our network of embassies are still staffed by people who served the old policies. This ministry is not taking the slightest visible measure to organize economic emigration or to reunite families divided as a result of the exoduses. Considering the ministry's great importance in establishing new ties with developed and democratic countries, we ask for the earliest possible replacement of the directors of ministry directorates and ambassadors.

4. In support of social justice and the will of the people, we demand the earliest possible trial of the party leaders and residents of the leadership compound who abused the sweat and toil of the people.

5. All emblems and symbols of communist rule must be removed.

6. (?Compensation) must be given to all those who were sentenced for their political convictions during the period of the Enverist- Stalinist regime, including their full political, economic, and social rehabilitation.

7. All democratic forces and the forces of order must do everything to prevent crime and maintain public order. This requires the arming of civilians, which will serve to increase confidence, improve public peace, and create conditions for economic revival and the country's stabilization.

Socialist Party Warns of 'Savage Right-Wing Dictatorship'

AU2208185491 Tirana ZERI I POPULLIT in Albanian 11 Aug 91 p 1

["Statement by the Socialist Party Parliamentary Group"; place and date of issue not given]

[Text] We deputies of the Socialist Party's parliamentary group have been following the events of recent days with concern. We feel it a moral and patriotic duty to turn to the all-Albanian public and declare that our fragile democracy that we are serving with so much effort, sacrifice, attentiveness, and hope, has been facing dangers for some time.

A wave of violent destruction has engulfed the entire country, not sparing even nurseries, schools, health centers, houses of culture, nor even the crops and the ports that supply the people with food. Armed bands and individuals are increasingly trying to take law and order into their own hands.

It is not difficult for any observant person to see that such waves of violence peak whenever new democratic hopes are born in us and we take new steps toward democracy, whenever there are signs of greater peace and stability, and whenever the image of Albanian democracy is consolidated in relations with the world. There are savage attempts to shake democracy in our country whenever ominous clouds gather over martyred Kosovo. It is now more than clear that a dark anti-Albanian and antidemocratic scenario is being encouraged, to be crowned with the establishment of a savage right-wing dictatorship. Extreme anticommunism is used to conceal a dictatorial future. Anyone who objectively sees and experiences what is happening to us and our country and anyone with the slightest knowledge of the history of democratic movements and dictatorships in the world will not find it hard to understand that anarchy, chaos, street violence, and large-scale destruction have always been a painful prelude to the imposition of the most brutal dictatorships.

Although an energetic people, we Albanians have been unfortunate, because we are a small people and envious eyes have been cast on our country. Therefore, destiny has not allowed us to shape our own history. Even at the end of this century, will there be hole-and- corner games with our destiny? Brothers and sisters, no! We wish to show the public at home and abroad that we will not allow any Albanian and antidemocratic force to stifle our democracy and force us to repeat our tragic destiny.

At the same time, we are aware of a need and duty to raise our voice over what is happening in Albania, to call a halt to anybody who intends to shackle or reshackle us in fetters. The events of recent days compel us once again to call on the help and cooperation of all political forces, if they are as genuinely concerned as they say they are about democracy and national interests, so that we may denounce and condemn everything that runs counter to the people's ideals of democracy. Enough of the murk of "dark forces!"

Must we continue to condemn in silence the anonymous culprits of the acts of destruction visited consecutively on Shkoder, Elbasan, Durres, Kavaje, Lezhe, etc.? Can these acts be excused by the country's wretched economic condition? Do they have something to do with the burning and destruction of the building of the Vlore District Socialist Party Committee? Apparently, vicious minds plotted a second incident like that of Shkoder. However, thanks to the withdrawal of the forces of order, the scenario was not played out to the end and confined itself to arson, destruction, and the toppling of monuments.

Some people raise their voices in the parliament to propose that all prisoners without exception should be declared innocent. Others rewrite history and disparage the National Liberation War, inviting former quislings and landlords to take the stage. Others, on behalf of the Democratic Party's Managing Committee in Fier District, do not blink an eye when they say, "We will hold elections in November," because "We will reduce the Socialist Party to a minority," and "When we take power we will ban it." Some party leaders are not expressing purely personal opinions when they issue calls for destruction and devastation, as if in a real crusade.

We could add other things to this list, brothers and sisters, but we will merely talk to you about the simple truths of your daily lives. All those who are grieved when they look at our democracy today, and who brood on its future in a spirit of human love, now realize which forces and people are imperiling this future and preparing to blight its newly blossomed buds with the icy frost of dictatorship.

The people want democracy. The people want stability, bread, food, order, and justice. Anyone who spoils these things is against democracy. We can therefore rely only on the people in our fine dreams of democracy and civilization. Let us not allow precedents from the past to destroy our future. Let anybody who desires a happy and democratic future for Albania commit themselves and struggle for it, and not let the greed of invaders cloud their vision. The people will stand for no more conquerors, but will be permanent masters of their lives and their country. The tragic errors and dramas played out at their expense in the past should serve as a lesson for our democratic future, so that this future will no longer be at risk and that clear prospects will open, awakening people's confidence and uniting them for the sake of the lofty interests of the homeland and the nation.

Yeltsin Thanks President Zhelev for Support

AU2208125691 Sofia BTA in English 1224 GMT 22 Aug 91

[Text] Sofia, August 22 (BTA)—Bulgaria's President Zhelyu Zhelev has received a telefax message from the president of the Russian Federation, Boris Yeltsin. He extends thanks for the attention to Russia and to her struggle for freedom, democracy and social progress, which Bulgaria's head of state showed in the telephone conversation with Russia's leader two days ago.

Boris Yeltsin writes: "I believe it is my duty to inform you in person and your country's leadership of the following:

We have restored the rule of law and the constitutional order on the whole territory of the USSR.

Due to the measures we took the president of the USSR was freed from the detention imposed by the coup-makers and was brought to Moscow. All obstructive forces have been removed. Mikhail Gorbachev can continue performing his constitutional duties.

On our order the coup-makers were detained and are now under arrest. My intention is together with the president of the USSR to determine a procedure for their bringing to book in accordance with the Russian legislation.,

Further on the president of the Russian Federation points out that he will remain in charge of the supreme power until President Gorbachev is able to return in office.

In conclusion Boris Yeltsin writes: "Please allow me to assure you once again of our commitment to the ideals of democracy and freedom. We shall never let Russia back into the hands of political obscurantists."

Coup Leaders Sought Support From Government

AU2208184891 Sofia BTA in English 1828 GMT 22 Aug 91

["Moscow Coup Organizers Seek Recognition From Bulgaria"—BTA headline]

[Text] Sofia, August 22 (BTA)—As early as Monday, August 19, Mr. Viktor Sharapov, Soviet ambassador to Bulgaria, demanded that the Bulgarian Government immediately send a delegation to Moscow to hold negotiations on the future development of the economic relations between the two countries, a source close to the Council of Ministers told BTA today.

A scandal burst at today's cabinet meeting when it became known that only some of the ministers knew about these contacts. Mr. Sharapov was spotted in the Council of Ministers building several times at the beginning of the week. However, most of the ministers did not know about Mr. Sharapov's demands that a Bulgarian delegation depart for Moscow at the very time when power was in the hands of the coup organizers.

Mr. Dimitur Ludzhev, deputy prime minister, told the press that the coup organizers had sought contacts with some Bulgarian ministers but he refused to give any further details.

Daily on Yanayev's Attempts To Win Support

AU2308104491 Sofia BTA in English 0844 GMT 23 Aug 91

[Text] Sofia, August 23 (BTA)—Today's FAKS elaborates on the news released by BTA yesterday concerning the attempts of the organizers of the coup in the Soviet Union to establish contacts with the Bulgarian Government. An article in FAKS says that a few hours after the coup a representative of the State Emergency Committee leadership contacted the Bulgarian Government over the telephone and demanded that it express an official support for the coup. Well-informed cabinet sources say that the voice on the telephone belonged to Mr Yanayev himself. The tone was too imperative and urged for an immediate reaction on the part of the Bulgarian Government. The cabinet remained neutral because of the lack of information. At a meeting later in the day the Bulgarian Government condemned the use of force to remove the legitimate president of the Soviet Union.

The author of the FAKS article writes that the Soviet Embassy maintained neutrality while another article in the same newspaper denies this. It says that the Soviet ambassador made frequent visits to the Bulgarian Council of Ministers building during the three days of the coup and insisted that Bulgarian Deputy Prime Minister Aleksandur Tomov immediately depart for Moscow at the head of a government delegation to sign an agreement on economic cooperation with the Soviet Union. The Bulgarian Government refused to do so. Mr Tomov put off his visit to the Soviet Union after a telephone conversation with former Soviet Foreign Minister Eduard Shevardnadze. Mr Tomov will probably visit Moscow in two weeks.

Commentary on BSP Failure To Condemn Coup

AU2208111691 Sofia BTA in English 1036 GMT 22 Aug 91

[Panayot Denev commentary]

[Text] Sofia, August 22 (Panayot Denev of BTA)—The failed communist military coup in Moscow had particularly strong reverberations in Bulgaria, the country which until recently was described as "the Soviet Union's most loyal ally in Eastern Europe." Along with the enormous concern which had gripped all Bulgarians, the events over the last three days gave Bulgaria its first chance in its contemporary history to prove that it is really embracing democracy and already implements an independent policy as a sovereign state.

Dr. Zhelyu Zhelev, Bulgaria's first non-communist president, was among the first statesmen in the world who described the events in the USSR as a military coup, showing once again that the communist party and its nomenklatura are unable to implement the transition from totalitarianism to democracy and market economy.

During the three disturbing days earlier this week the Bulgarian Communist (now Socialist) Party was the only sizable political force in this country which failed to condemn the criminal act of the military junta in Moscow. It even did not refer to it as a coup. What was going on in Moscow was described as "exceedingly important." An attempt was made to mislead the people that "everybody without exception take a wait-and-see position." Small factions within the party which call themselves radical reacted on Tuesday and Wednesday. The central leadership of the Socialist/Communists, however, did not venture to take a clear-cut stand. But then, the Soviet Communist Party in Moscow did not take a clear stand, either. As a matter of fact, Bulgarian Communists have never taken a decision of their own since 1919.

On the evening of August 19, the BSP Supreme Council issued a declaration. A spokesman for the party leadership went on record on August 20, lashing out against President Zhelev and stating angrily that a small country like Bulgaria has no right to meddle into the affairs of great powers. Finally, Mr. Andrey Lukanov, one of the BSP leaders and head of the last communist government, who is believed here to be the most trusted man of Moscow's orthodox Bolsheviks, also went on record with his nervous reaction and attempted demagoguery when he took the floor in parliament last night.

There are many and deep-going reasons why a small nation has looked to Moscow whenever a dramatic political event happened over the last 150 years. Often forgotten by the great powers, isolated from the mainstream of the modern world, Bulgarians have been convinced ever since the dark age of the Turkish yoke that no one except their brothers in Moscow would help them survive the ordeals of history. The relationship has always been more or less emotional. What has almost always been passed over in silence have been the imperial ambitions of the Russian Empire and, during the last 75 years, of the communist totalitarian regime.

The communist regime in this country was installed as a result of the disgraceful deal between the victorious allies in World War II and at the point of Red Army bayonets. In the course of 45 years Bulgaria was not a sovereign state even though the Western democracies hypocritically shut their eyes to that fact or simply could not care less. Still, Bulgaria was no USSR. When six years ago Mr. Gorbachev set the beginning of the end of totalitarian regimes and the cold war, his ideas found propitious ground here, slowly but more surely than in the Bolshevik metropolis itself.

The authoritarian regime of Zhivkov, the longest ruling of all communist dictators in Europe, tried in vain to suppress the ideas of glasnost and perestroyka. When Zhivkov was finally brought down in November 1989, quite a few people in Bulgaria realized that this was actually an attempt by the communist top crust to stay in power for a little longer. It was unclear, however, whether this time, too, the directions had come from Moscow and, if so, whether they had been given by Mr. Gorbachev or the Bolshevik hardliners in the KGB. The Bulgarian opposition, young and utterly inexperienced, managed to consolidate, to take part in the elections and assume responsibility for running the country. But then, however, there was growing awareness that the people actually in charge here were not that much communist functionaries, loyal to Moscow for ideological reasons, as KGB fifth columnists who had been infiltrating Bulgarian society for decades. Ideas no longer mattered at all to Bulgarian Communists who renamed themselves Socialists in the early spring 1990. They did not take Mr. Gorbachev as their model, and even less so Mr. Yeltsin.

The dramatic events in Moscow these days clearly showed the truth. Although the hardliners in the BSP leadership count on things on which they have always counted: fear, poverty, the lumpenization of broad strata of the population, the people of Bulgaria can no longer be deceived. General and local elections are to be held here in just 50 days' time.

Japan Commends Zhelev's Stand on Soviet Coup

AU2208112591 Sofia BTA in English 1046 GMT 22 Aug 91

[Text] Sofia, August 22 (BTA)—President Zhelyu Zhelev received a letter from the Japanese Prime Minister Mr. Toshiki Kaifu in connection with the attempted coup in the USSR, the spokesman of the presidency told the BTA. The Japanese prime minister stresses that he resolutely condemns the bloodshed and the use of armed force. He gives a high assessment to the immediate reaction of the Bulgarian president against the attempted coup in Moscow as well as to his firm resolution to continue the process of reforms and democratization in Bulgaria.

In conclusion Mr. Toshiki Kaifu confirms Japan's commitment to support Bulgaria's efforts for democratization and economic reforms together with other friendly countries.

Government Works Out Agreement on Miners Strike

AU2208133591 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 22 Aug 91

[Dilyana Mikhaylova report]

[Text] Our reporter Dilyana Mikhaylova has an important report.

[Mikhaylova] Yes, it is important. I can report that a solution to the most important problem our country has had in the last few days has been worked out. Dimitur Ludzhev, deputy chairman of the Council of Ministers, announced that a formula has been found for a transition from a state of, quote, war, end quote, to, quote, peace, end quote. The governmental team that was supposed to make an urgent trip to the Maritsa-East thermoelectric power plant will not have to go there.

The work of the experts who have tried since 19 August to find a formula for the procedure of the negotiations between the government and the strike committee has produced positive results. An agreement has been reached to prepare a special document on negotiating a framework agreement, which will be worked out by the strike committee and a working group of the Council of Ministers. One could say that the expected agreement will be reached through that document.

The positions of the two sides will be included in the document, which will also outline the mechanism of the negotiations. The mechanism envisages the establishment of a commission that will prepare a concept on developing mining in Bulgaria, negotiating labor wages, the roads for restructuring the power supply system, and so forth.

This document should be signed by Mr. Ludzhev as chairman of the tripartite commission, and Dr. Trenchev, chairman of the Podkrepa Labor Confederation.

The document was supposed to be ready by now; perhaps it already is. In any case, as soon as it is signed, the strike will end. At the same time, the Podkrepa Labor Confederation expressed readiness to return to the tripartite commission. The commission will meet this evening at 1900. It is expected that at the meeting the Podkrepa Labor Confederation will issue a declaration in which it will explain the reasons for returning to the tripartite commission, its position toward the strike, and its attitude toward the government.

Miners on Alert

AU2208191391 Sofia BTA in English 1849 GMT 22 Aug 91

[Text] Sofia, August 22 (BTA)—Today the Strikers' Committee with the Miners' Federation and government representatives signed an agreement on opening negotiations. A commission has been set up to make an analysis of the state of mining in Bulgaria and to map out a strategy for the development of the industry. A working group set has also been established to work out a mechanism for wage bargaining in the industry. The rest of the miners' demands concerning the future of lead production in Bulgaria and the social problems of the miners will be discussed by experts.

In his capacity of chairman of the National Tripartite Commission Mr. Dimitur Ludzhev, deputy prime minister, and Dr. Konstantin Trenchev, president of the Podkrepa Labour Confederation, will sign the agreement. The miners will call off their strike but will stay on strike alert during the negotiations with the government and until a final agreement is reached.

Today the representatives of Podkrepa said that they would resume their seats on the National Tripartite Commission for the harmonization of interests between the government, trade unions and employers which they boycotted a month ago on the pretext that the government was unable to meet its obligations. Mr. Ludzhev described the decision as a turning point in the crisis brought about by the miners' strike. According to him, the National Tripartite Commission is the only pillar of the ongoing economic reform. The negotiations between the government and the miners will start tonight.

Popov: Former State Security Agents Infiltrated Podkrepa

AU2208184391 Sofia BTA in English 1823 GMT 22 Aug 91

["Does Prime Minister Have List of Provocateurs in Podkrepa?"—BTA headline]

[Text] Sofia, August 22 (BTA)—Prime Minister Dimitur Popov has a list of collaborators of the former State Security infiltrated in the leadership of the Podkrepa Labour Confederation. According to a well-informed source, the list was submitted by minister of the interior, Khristo Danov. At Mr. Danov's insistence the existence of the list was kept in secret because of fears of an information leak. Mr. Danov planned to submit the list in the National Assembly as well.

A scandal erupted at today's cabinet meeting because some of the ministers suspected that it is the people from the list kept by the prime minister who had been organizing illegal strikes and trying to destabilize the situation in this country during the last few weeks.

All Obstacles Overcome for Mid-October Elections

AU2208170791 Sofia BTA in English 1638 GMT 22 Aug 91

[Text] Sofia, August 22 (BTA)—Today parliament made amendments to the Elections Act. There are no further legislative obstacles to elections in mid-October which is the constitutional deadline.

A presidential decree is expected to schedule the elections and to appoint a Central Electoral Committee. The possible dates are October 12 or October 13.

Parliament goes on vacation till September 2.

The problem with the calculation method which had jeopardized the elections was settled through consultations late last night and this morning. The Bulgarian Socialist Party [BSP] and the opposition gave up their initial versions and agreed upon a compromise: the proportional part of the method which was used in last year's elections (last year the elections were held after a mixed system).

The coming elections will be held after the proportional representation system. Today's amendments to the Elections Act which was passed last week were required by the reached compromise.

There were some debates on the possibility to allow independent candidates to run for a seat in two constituencies. The opposition was against this proposal as in case the candidate wins in both constituencies in one of them the votes for him will be lost. With the absence of many opposition MP's the Socialists' majority successfully passed their proposal.

Zhelev Issues Decree

AU2308100391 Sofia BTA in English 0935 GMT 23 Aug 91

[Text] Sofia, August 23 (BTA)—President Zhelyu Zhelev has issued a decree which schedules the parliamentary and local elections for October 13.

The decree appoints Mr Mladen Danailov, jurist by profession, as chairman of the Central Electoral Commission. The secretary and the members of the commission are also jurists. The chairman and the secretary are not affiliated to any political force, while the two deputy chairmen were nominated by the major political forces.

BSP Coalition Proclamation

AU2208092291 Sofia DUMA in Bulgarian 16 Aug 91 p 1

["Political Proclamation for Peaceful and Democratic Bulgaria"]

[Text] Bulgaria is facing new elections. The elections will be fateful for the motherland, every Bulgarian family, and every citizen. They will determine whether the motherland will preserve Bulgarian statehood, national ideals, and virtues, and whether it will become a stable and prospering country—a coveted home of industrious and enterprising people, in which the law guarantees the freedoms and rights of all. The elections will also determine whether Bulgaria again will be the victim of party passions and the lust for power on the part of people who turn their backs on national dignity and ignore national interests.

Our country faces exceptionally serious problems. The postponement of their solutions will produce unforeseeable consequences.

Today everyone has to assume a clear position and responsibility. Therefore we—The Bulgarian Socialist Party, the Bulgarian Liberal Party, the Democratic Party in Bulgaria, the Fatherland Labor Party, the Christian Women's Movement Party, and the Christian-Democratic Party—unite in a preelection union. We are different parties, united by common goals:

To preserve peace in the country!

To defend democracy!

To stop the impoverishment of the people!

To give youth a chance!

To preserve the Bulgarian spirit and culture!

To guarantee personal security, tranquility, and order!

To defend the national security of united and indivisible Bulgaria!

Our union is open to every political force that shares those goals. We appeal to all public organizations, associations, and movements for support.

We appeal to you, voters in the cities and villages of all ages and different ideological and religious convictions:

Let us make the choice that will save Bulgaria!

BZNS-United Leadership Discusses Upcoming Elections

AU1908193091 Sofia ZEMEDELSKO ZNAME in Bulgarian 15 Aug 91 p 1

[Unattributed report: "Meeting of Bulgarian Agrarian National Union-United Permanent Board"]

[Text] At its 14 August meeting the Permanent Board of the Bulgarian Agrarian National Union [BZNS]-United noted that the entire political and organizational activity of the BZNS is now subjugated to the most important task—the most active and efficient participation of the BZNS branches and members in preparing and conducting the elections for the National Assembly and municipal authorities organs. For this purpose the BZNS-United Permanent Board adopted a plan on forming a Central Election Council, an Operational Bureau, a Central Election Club, and working groups.

The BZNS-United Permanent Board greets and supports the idea of restoring the General Agrarian Trade Union and calls upon all supporters and sympathizers to cooperate in implementing this goal.

Topical issues related to the BZNS-United future activity were reviewed at the meeting. The BZNS-United Permanent Board gave the BZNS-United leaderships at the former okrug centers the right to implement comprehensive and efficient organizational and coordination activity within the municipal leaderships in the relevant regions until the BZNS-United congress.

Status of Electric Power Supply, Possible Cuts

AU2208120391 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 22 Aug 91

[Text] There will be no cuts in the electricity supply before the end of this week, stated Mr. Dimitur Novakov, deputy chairman of the Committee for Power Supply. He announced that at the moment all electric power plants in Bulgaria are operating. Despite the miners' strike, he stressed, 4,200 Megawatts of electricity are being produced at the moment, which is sufficient to cover the country's maximum power requirements.

It is likely that at 1330 today a government team will set off for an urgent visit to the Maritsa-East Thermoelectric Power Plant to make an on-the-spot investigation of the situation that has been created by the miners strike there. A BTA reporter was told this by a responsible official at the Committee for Power Supply who wished to remain anonymous. The official stated that the government team will leave on a special aircraft or helicopter, because the situation at this important power generation facility brooks no delay. He added that the Council of Ministers will consider important issues concerning restructuring the power industry within a short time.

Ludzhev Criticizes 'Noise' About Turkish Message

AU2208174391 Sofia BTA in English 1706 GMT 22 Aug 91

[Text] Sofia, August 22 (BTA)—The noise about the message of Turkey's prime minister to Bulgaria's prime minister and the publication of excerpts from the message in the press are most improper and create conditions for straining the relations between two neighbour countries, Deputy Prime Minister Dimitur Ludzhev told the press today. Under the guise of concern about the national interests there hides political demagogy, he said and added that the fanning up of the matter is a political insinuation.

Mr. Ludzhev did not deny that the message poses the problem with the registration of the Movement for Rights and Freedoms (DPS), which represents ethnic Turks in Bulgaria, as a political party, so that it can take part in the election campaign. He explained, however, that that was a personal message, not a formal note and was in conformity with the procedures envisaged by the international agreements to which Bulgaria is part.

The registration of the DPS lies beyond the competence of the Council of Ministers and may only be solved by the court, said Deputy Prime Minister Dimitur Ludzhev.

Former Regime Data 'Leaked' to Masonic Lodge

AU2208115891 Sofia BTA in English 1104 GMT 22 Aug 91

[Text] Sofia, August 22 (BTA)—Particularly important information on Bulgaria under the former regime and on the Eastern Bloc has been leaked to a French Masonic Lodge, according to today's "FAKS." The daily contends that the former leaders of the Interior Ministry and of the ex-Communist Party ignored warnings from the Soviet Security Services about such leaks.

The newspaper writes that the information was channelled through Mr. Niko Yakhiel, a long-serving aide to the country's ex-Number One Todor Zhivkov, a corresponding member of the Bulgarian Academy of Sciences, head of the Sociological Association and member of the former Central Committee of the Bulgarian Communist Party.

"FAKS" explains that the information was also leaked through Mr. Yakhiel's daughter, who was sent to France as a scholarship student. There she married a member of the Grand Orient de France Lodge.

The daily discusses the odd lack of interest in freemasonry on the part of the Zhivkov regime. There was not even a structure in the omniscient state security to handle masonic matters. At the same time, there were people in Bulgaria who monitored the influence of insignificant South Asian sects in this country.

"FAKS" quotes a much talked about astrologer as saying that the masonic movement in Bulgaria did not cease to function in the years of "socialist construction."

An unnamed former high-ranking civil servant asserts in the paper that freemasonry could not thrive on Bulgarian soil under the communist regime. On the contrary, any lodge ought to envy the BCP its party discipline and secrecy.

In its latest issue the "168 CHASA" weekly quoted a reliable source as saying that freemasonry is reviving in Bulgaria. A reporter of the newspaper even saw a list of lodge members including well-known representatives of different and otherwise fiercely opposed political forces.

The first masonic lodge in Bulgaria, called Balkan Star, was established in the city of Ruse on the Danube in 1879. It was constituent of the Great Road of Portugal. Another lodge, called Fraternity, was founded in Sofia four years later. It was another constituent of the Portuguese Road.

Army Declassifies 1968 CSSR Archives

AU2208114691 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 22 Aug 91

[Text] By decision of Colonel General Lyuben Petrov, chief of the Bulgarian Army General Staff, the secret

classification is removed from all the archives connected with the invasion of Czechoslovakia by Bulgarian military units in 1968.

Journalists will also be given access to the documents, Captain First Rank Tsyatko Donchev, the official Defense Ministry spokesman, told BTA. He announced that the leadership of the Ministry of Defense has nothing against the initiative of the REPORTER-7 newspaper to organize a meeting on the events in Prague, and said that today the Bulgarian people have reason to go back in time to remember the events in Czechoslovakia in 1968.

Unemployment Statistics, Problems Reviewed

AU2208170991 Sofia BTA in English 1440 GMT 22 Aug 91

[Text] Sofia, August 22 (BTA)—"By August 15 the number of unemployed in Bulgaria was 302,194 and the number of vacancies 23,003," Mr. Goran Goranov, director of the National Employment Agency with the Ministry of Labour and Social Affairs, told a press conference today.

The total amount of unemployment benefits paid so far is 160 million leva. Since the beginning of the year 6,000 unemployed have completed retraining courses. Forty-eight percent of the unemployed are young people. Employment programmes for women and young people are being worked out.

"At present, employment agencies throughout the country are mainly engaged in registering the jobless and paying unemployment benefits," Ms. Emiliya Maslarova, minister of labour and social affairs said. The reason for this is that there is a shortage of professional social workers, the difficult working conditions at the agencies and the negative attitude of the employers towards the social workers.

According to Ms. Maslarova, the fact that employers often refuse to admit the availability of vacancies and that people who conduct businesses of their own register as unemployed creates additional problems for the social workers.

Yeltsin Cables Havel on Support, Future Plans

LD2208141191 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1330 GMT 22 Aug 91

[Text] Russian Federation President Boris Yeltsin thanked Czechoslovak President Vaclav Havel today for the interest in Russia demonstrated in his telephone conversation with Boris Yeltsin, for his interest in the struggle for freedom, democracy, and social progress. In his telegram, Boris Yeltsin reported that rule of law and constitutional order have been restored on the entire territory of the Soviet Union.

In the immediate future, together with President Gorbachev, I would like to determine the way in which the organizers of coup d'etat should answer for their deeds based on the law. We will be the ones who will govern the country until Gorbachev resumes his duties, President Boris Yeltsin's telegram to Vaclav Havel reads.

Havel on USSR Events, Army, Slovak Home Guard

LD2208212791 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1630 GMT 22 Aug 91

[Excerpts] President Vaclav Havel toured several Army units of the West and East Military Districts today to check the level of training and preparedness of the Czechoslovak Army to defend our country. Stanislav Benda reports:

[passage omitted] During President Havel's conversation with soldiers [at the Hradiste military training grounds], I asked him to assess our Army's preparedness in the context of the events in the Soviet Union—a few days after this trip was being prepared. His answer follows:

[Begin recording] [Havel] Since Tuesday, when I think we decided to make this trip, many things have changed in the Soviet Union—for the better, of course. This is generally known, but the consequence of this is not that we could disband the Army, or something of that kind. The danger of a certain threat will unfortunately continue to exist for some time, and we have to be on guard and the Army has to exist and be trained. We plan that the Army will gradually include more and more career soldiers; its numbers will be reduced; the length of military service will be shortened; the Army will get modern weapons. But all this is a long-term task, and it cannot be done overnight. Let us hope that the international political situation will provide us with reasons and favorable conditions to do so. Nevertheless, the experience of the Moscow military coup clearly shows that a situation can arise when our country is in danger.

[Unidentified correspondent] Given the failed coup in Moscow, what is your view of the efforts to form a Slovak home guard?

[Havel] So far, I have not noticed the effort to form it; just the idea of forming it was voiced. Following the coup, my view is the same as was before the coup: We do not need to form a home guard. My view is that while we are a federal state it is the task of the Czechoslovak Army to protect us against an external enemy, and it is the task of police to protect us against various internal threats. [end recording] [passage omitted]

Federal Assembly Hails Soviet Democratic Forces

LD2208205391 Prague CTK in English 1639 GMT 22 Aug 91

[Text] Prague Aug 22 (CTK)—At its extraordinary session today, the Presidium of the Czechoslovak Federal Assembly (parliament) hailed the victory of democratic and constitutional forces in the Soviet Union.

In its statement, the Presidium said the victory creates favourable preconditions for the maintenance of a political balance in Europe and in the whole world. It is of great importance for continued democratisation in all areas of life in the Soviet Union and its republics and regions.

The statement stresses that the essential problems of the Soviet Union still have to be resolved, and adds that this will require assistance from all democratic forces in the world.

The statement also praises the stands of Czechoslovak President Vaclav Havel, the Federal Government and main political forces during the Soviet crisis.

The statement says that "under the impression of the latest events, we realise once again and even more urgently the value of the coexistence of Czechs and Slovaks and of members of national minorities in a common federative state based on constitutionality, democracy and freedom".

It also said the parliament will do everything to promote Czechoslovakia's quicker and closer participation in European integration.

The parliament presidium addressed letters to the Supreme Soviet of the Soviet Union and the Supreme Soviet of the Russian Federation.

The letters hail Gorbachev's return to the Presidency and the prevention of a relapse into the past, and praise the firm stand of Russian President Boris Yeltsin, the resistance of the Soviet people to the plotters and the solidarity with the Soviet Union showed by the world public.

Defense Ministry Assesses Impact of Soviet Crisis

LD2108182691 Bratislava Ceskoslovensky Rozhlas Radio Network in Slovak 1000 GMT 21 Aug 91

[Text] Representatives of the Ministry of Defense met newsmen in Prague today for a special press briefing. Our colleague, Miroslav Minar, telephoned his report from this briefing:

[Minar] The situation in the Soviet Union and its impact on the security and integrity of the Czech and Slovak Federal Republic would be a brief description of the topic of today's press briefing. This is why the turn out of mass media representatives was exceptionally high. An invitation was also accepted by military and air attaches accredited to the CSFR. Apart from Minister Dobrovsky, journalists' questions were answered by the chief of the general staff, the commanders of the Western and Eastern Military District and by the Air Force and Air Defense commanders.

Mr. Dobrovsky added more information to his statement broadcast on a Czechoslovak television special news bulletin Monday. He dealt with the security measures carried out in the Czechoslovak Army on the basis of yesterday's session of the State Defense Council. In this connection, he reaffirmed, that although according to intelligence reports our country is not facing an acute and immediate threat, our Army is ready and able to face the danger looming in the east and the northwest. However, voices are expressing certain concerns that everything has been done to ensure the sufficient and effective defense capability of the CSFR. In this connection, the minister recalled the interview granted yesterday to Radio Free Europe by Deputy Interior Minister Ruml. Speaking about this point, the defense minister said that, in this critical situation, the Czechoslovak Army is making fewer official statements but is all the more responsibly working on contingency plans that were drafted six months ago. In this connection, he praised the work of both military districts staffs on terrain (?reconnaissance), for example.

Shortly before the press briefing, the minister of defense received a statement by the Association of Slovak Soldiers on the situation in the Soviet Union. As Mr. Dobrovsky said, it has become clear to him that the Association is using this critical sitution for its own ends. The demands calling for the establishment of a home guard and for the transfer of more troops from the Czech Republic to Slovak Republic territory are absolutely unprofessional from the military view point. What is sad is that official representatives of the Association who are career soldiers do not understand this.

The CSFR defense minister contacted the ambassador in the Soviet Union who told him that, according to his sources, the Soviet Army is not at present either ready or capable of dealing with anything else but the situation in its homeland. During the night, he also contacted Foreign Minister Jiri Dienstbier, who is in the United States. According to him, United States Secretary of State Baker supports our positions, which are an expression of our uncompromising determination to defend, even by force, democracy in our country.

Communist Party Airs Views on Soviet Events

AU2208120591 Prague CTK in English 1244 GMT 20 Aug 91

[Text] Prague Aug 20 (CTK)—The chairman of the Czechoslovak Communist Party (KSCS) Federal Council, Pavol Kanis, told reporters today the unconstitutional solution of social problems in the Soviet Union is unacceptable for communists.

Kanis praised the cautious statements by Czechoslovak President Vaclav Havel and government officials on the country's relations with the Soviet Union for not allowing the spread of panic.

He acknowledged that the events in the Soviet Union would have a negative impact on his party's political future. "For many, it will be an argument for making attacks on us", Kanis said.

The chairman of the Slovak Democratic Left Party (SDL, former communists), Peter Weiss, told a press conference in Bratislava today "the way Soviet President Mikhail Gorbachev was toppled from power... cannot leave anyone indifferent".

Weiss said it is impossible to halt the democratic changes started by Gorbachev.

Dailies Examine Implications of USSR Coup

LD2308101391 Prague CTK in English 0659 GMT 23 Aug 91

[Text] Prague Aug 23 (CTK)—Most Czech dailies on Friday contemplate the influence that the failed coup in the Soviet Union might have on developments in Czechoslovakia.

In an interview in the independent RUDE PRAVO, Slovak Premier Jan Carnogursky says he can hardly conceive that the two republics in Czechoslovakia could have smaller powers, either within their mutual relationship or in relation to the centre, than the republics of the Soviet Union will have if they sign the Union treaty.

In its comment, RUDE PRAVO says that "from the Czechoslovak point of view...the purpose and haste of the economic reform of Klaus' type (Vaclav Klaus is Czechoslovak Finance Minister) and of the mottos on the debolshevisation of society can be understood, but the specific content of such words must be discussed in public."

MLADA FRONTA DNES says the West must now "convince itself that democracies being born to the East of As (border town in the westernmost part of Czechoslovakia) cannot do without organised and tangible aid (there has been enough verbal aid)...we, on the other hand, must make up our minds whether we shall jostle with the Poles and Hungarians on our way to Europe or whether we shall all enter hand in hand".

The trade union daily PRACE warns that "the failed coup in the Soviet Union will quite logically raise the self-confidence of the fascist forces in our country. It will be very easy to come up with demagogic statements such as 'look what the Bolsheviks are capable of doing,

liquidate this fifth column in our country". PRACE believes that this would put an end to democracy as such in Czechoslovakia.

Czechoslovak President Vaclav Havel's close colleague Pavel Tigrid predicts in an interview, carried by MLADA FRONTA DNES, that the Soviet Union "will sooner or later split into 15 independent republics".

According to MLADA FRONTA DNES, Czechoslovak ambassador to the Soviet Union Rudolf Slansky expects "several waves of rapid changes in leading posts" in the Soviet Union.

OBCANSKY DENIK says that "Mikhail Gorbachev was rescued but many things indicate that his era is over just the same as the era of half-hearted and inconsistent reform policies and compromises between conservatives and reformers".

Asked by ZEMEDELSKE NOVINY to specify his future cooperation with Mikhail Gorbachev, Russian President Boris Yeltsin says "we agreed to discuss all issues including the resignation of the Union government and its substitution with a government of national understanding. We shall discuss candidates to posts of key ministers in the union government. All who come into question are our people as it was Russia that stood the test of these difficult days and did not betray democracy."

In an interview carried by MLADA FRONTA DNES, Jiri Pospisil, a member of a Czechoslovak parliamentary commission investigating the November 17, 1989 events in Prague, ponders over the present activities of members of the former STB (secret police abolished at the start of 1990) in connection with the coup in the Soviet Union, and says that "former STB members still hold various important posts and may influence our development but cannot reverse it". Pospisil thinks that former STB collaborators work in the media and at important economic posts.

Bratislava—in reference to the failed coup in the Soviet Union, the Slovak independent daily NARODNA OBRODA says today it was for the first time in the past 70 years that the Russians came to realise they are not slaves. Although it cannot be predicted today what will be the impact of the radical change on future developments in the Soviet Union, communism seems to have failed there completely, the paper says.

Czechoslovak Foreign Minister Jiri Dienstbier said in an interview for NARODNA OBRODA Soviet leader Mikhail Gorbachev has shown dexterity in maneuvering between totalitarian and democratic forces. Now it became clear this is no longer possible, Dienstbier said, adding that it will depend on Gorbachev what conclusions he will draw from it.

The independent leftist daily PRAVDA writes that both the coup leaders and the Communist Party, which Gorbachev wanted to build on new leftist principles, are exposed to scorn by democratic forces. At the time they decided to stage the unconstitutional coup they stabbed him in his back, which hurts both Gorbachev and others holding leftist positions.

Gorbachev returns thanks to his opponents not his communist colleagues, says the Public Against Violence (VPN) daily VEREJNOST. He should thoroughly consider his further moves as a future conspiracy might have more serious consequences, the paper says.

The trade union daily PRACA notes that those who aimed to overthrow Gorbachev knew only what they did not want, i.e. reforms, democracy, opening up to the West, power-sharing with the individual Soviet republics. But they did not know what they wanted and thought there were more people in the country who wanted to preserve the old system than in the former Soviet satellites two years ago, PRACA says.

Calfa Worried About 'Roots' of New Economy

LD2308213791 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1630 GMT 22 Aug 91

[Excerpts] The Federal Government met for an extraordinary session in Prague today. Katerina Hrochova reports:

[Hrochova] The CSFR government extraordinary session was logically brought about by the events in the Soviet Union. [passage omitted] After the Federal Government session, a session of its Presidium followed. [Prime Minister] Marian Calfa told us about its deliberations:

[Begin Calfa recording in Slovak] I have to say that we are very much worried because the Federal Government, in fact, started the whole mechanism of changes in our society, and on the basis of the government program prepared the principal documents about a qualitative change of political and economic life in Czechoslovakia. It becomes clear that phenomena are multiplying that hint at the fact that the new social and economic basis does not necessarily always have healthy roots. This is our greatest worry.

Our feeling is that a strata of entrepreneurs founded on a one hundred percent healthy basis is not emerging. Those people are learning that laws are not being observed and are broken, that there is no consistent financial control, and that there are shortcomings in the sphere of taxes. We have certain worries whether this is going to lead again to forming a distorted economic mechanism.

We are also troubled by a growing number of crimes. [passage omitted]

We feel, in a way, obliged to take a very intensive, active course of action very soon with initiatives as far is its powers and government bills are concerned. We have given to ourselves a deadline to prepare our groundwork

by the end of next week, and then we will discuss it again. We are going to brief you about it in detail. [end recording]

[Hrovchova] I only add that the agenda for the next session of the Federal Government next week also includes a very important issue, the new tax system.

Inflation Reported To Rise Faster Than Wages

AU2308074291 Prague OBCANSKY DENIK in Czech 15 Aug 91 p 2

["(sn)"-signed report: "Life in Figures"]

[Text] Prague—The average monthly wage in Czechoslovakia during the first half of this year was 3,453 korunas. Staff at the Federal Statistical Office gave us this figure yesterday. The consumer price index (for the first half of 1991 compared to the first half of 1990) amounts to 157.8, which means that prices have increased by 57.8 percent. Wages have gone up by 10.7 percent in comparison to the same period last year.

Slovaks Blame Czechs for Agricultural Ills

AU2208175391 Bratislava NARODNA OBRODA in Slovak 21 Aug 91 p 2

[S. Tomanek report: "A Scorching Summer for Agriculturists"]

[Text] Bratislava—Ministers Ivan Miklos and Jozef Krsek met with journalists during the Slovak Government Economic Council session. Agriculture and Food Minister Jozef Krsek had little reason for optimism. The abolition of negative tax (subsidies) has led to a surplus of meat and milk products. The population does not have anything to spend, and so the approximately 30 percent rise in meat and milk surpluses probably does not surprise them. The Federal Government has decided not to subsidize the domestic market; however, it will subsidize exports.

Not so long ago, it would not even have occurred to us that we would have a surplus of 100,000 tonnes of beef, 300 million liters of milk, 460,000 tonnes of wheat, and 50,000 tonnes of corn. Slovak wine drinkers should be happy—we have supplies for two years. However, economists have furrowed brows because the Czechs bought 640 vats of cheap and inferior quality wine from Spain. Regular Slovak suppliers are now out of the game. High rents are demanded for warehouses in the Czech Republic and Slovak producers really have nothing to be envious about. While viticulturists have been offering wine for 12 korunas per liter since 1 July, the trade [as published] is asking for 35-40 korunas per liter. Sugar beet is also a problem because some Czech sugar refineries have concluded much cheaper agreements with the Poles, and the middlemen take full advantage of this. It is not surprising that many of the 907 agricultural cooperatives in Slovakia are running a loss. As Minister Krsek said, at the end of the first half year, output in the agriculture and food sector was 7.7 billion korunas less than last year and agricultural primary production is 8.8 billion korunas less than last year. It is paradoxical that profit has fallen by 5.4 billion korunas, while costs have fallen by 3.3 billion korunas. Measures—protecting the domestic market is one of them—are taking a circuitous route through federal bureaucracy and, moreover, we have to wait until the end of the year for an agreement with GATT.

Daily Cited on 'Mysteries' Around Tank Exports

AU2208190691 Bratislava NARODNA OBRODA in Slovak 20 Aug 91 p 13

[Unattributed report in the "Monitor" column: "Where Are Our Tanks Heading? The Ministry of Defense Is Silent"]

[Text] Specific data on the arms trade are published by only very few countries, and data on the financial aspects of this trade are, without exception, the subject of commercial secret, [the Slovak trade union daily] PRACA writes in its issue No. 193. Some time ago, the Belgrade daily POLITIKA reported, not very accurately, on two trainloads of tank undercarriages dispatched from the CSFR. This military equipment was supposedly destined for Pakistan, whose diplomatic circles did not confirm this, however. According to our information from government circles, 50 tank undercarriages have indeed been exported. They are still in the customs zone of the port of Ploce under the supervision of the Croatian police. The consignment is intended for an unidentified country.

Even more mysteries surround the 250 tanks for Syria, as this amount has not even been manufactured at Martin in the period in question. We have learned from government sources that do not wish to be named that, in the interest of complying with the [decisions on the] conversion of the arms industry in our country, even supplies of material ordered and contracted in the past have been included in the number of manufactured tanks. In this way, the manufacturer seeks to accomplish "conversion on paper" according to the maxim "to have one's cake and eat it, too." As even this did not help to achieve the total figure [of 250 tanks], the Army helped out by selling [to the tank manufacturer] the missing tanks, of which there were apparently 80. Representatives of the Ministry of Defense have refused to comment in any way on this matter.

Economic Cooperation With South Africa Viewed

AU2308080591 Prague HOSPODARSKE NOVINY in Czech 15 Aug p 7

[Interview with Frantisek Dlhopolcek, CSFR general consul in South Africa, by unidentified reporter: "The Republic of South Africa"]

[Excerpts] [passage omitted] [HOSPODARSKE NOVINY] What is your opinion about the current state

and prospects of trade and economic cooperation between the CSFR and South Africa?

[Dlhopolcek] So far, the trade between the two countries has been mediated by third countries. It reached approximately 5 to 8 million U.S. dollars per year. Last year, direct trade between the CSFR and South Africa represented 172,000 U.S. dollars. All the trade consisted only of Czechoslovak exports. Since the beginning of last year, contacts between the two countries were significantly intensified. Domestic political developments in South Africa in the recent period, as well as the significant political changes in the CSFR and in the East and Central European countries, have resulted in great interest on both sides in developing relations that have stagnated for a long period of time—for 27 years. This is why, in the second half of last year, talks on future trade and economic cooperation were held between representatives of entrepreneurial, financial, and banking circles of both countries. Prospects for direct deliveries of shortage raw materials to the CSFR—ferro-chromium and manganese ore in particular—were discussed. In this connection, I would like to stress that Czechoslovakia can import from South Africa all the raw materials that are in short supply in the CSFR, with the exception of crude oil. We also discussed the import of modern technology from South Africa (for instance, semi-automatic car production lines). Possible cooperation in the manufacturing of stainless steel, the food industry, the pharmaceutical industry, the car industry, and the mining industry appears to have good prospects. The Czechoslovak market could be made more varied by trade in vegetables, fruits, and consumer goods. Other possibilities are still far from being explored.

South Africa is interested in exporting to the CSFR, but it is also similarly interested in the import of Czechoslovak products. The important thing for us is that, in view of the specificity of the South African market, the lower quality of our products is not an obstacle. There is also one fact that is of some significance—South African companies are willing to cooperate with our enterprises on third markets, particularly in Africa, where they have strong influence. South African banking circles are willing to cooperate—except in providing credits—in helping to unfreeze Czechoslovak claims in African countries. For example, in the first stage, the Nedbank Bank and Volkskas Merchant Bank have offered to buy Czechoslovak claims in Mozambique.

An opportunity has arisen for our exporters to export consumer goods, machine tools, forming machines, irrigation technology, trucks and passenger cars, tractors, mining equipment, and capital goods. [passage omitted]

The conclusion of the trade agreement between the CSFR and South Africa, particularly the agreement on the protection of investments, will become an important milestone in the intensification of mutual cooperation in the economic sphere. The agreement should be concluded this Fall. However, the agreement will only be the first step toward the development of economic cooperation. Its concrete realization will depend, above all, on the activity of individual enterprises and companies. [passage omitted]

President, Prime Minister Cable Gorbachev

LD2208164691 Budapest MTI in English 1025 GMT 22 Aug 91

[Text] Budapest, August 22 (MTI)—Arpad Goncz, president of the Republic of Hungary, has cabled his good wishes to Mikhail Gorbachev on the occasion that he has been reinstated into his lawful office as president. Goncz expressed his conviction that mutually advantageous cooperation and good neighbourly relations can be further intensified between the two countries and their peoples through common efforts.

Hungarian Prime Minister Jozsef Antall also cabled Mikhail Gorbachev, expressing his pleasure that constitutional order has been restored in the Soviet Union, and Gorbachev has again taken over his post as president. Antall's telegram stresses that, during the past difficult [word indistinct] the leaders of the Republic of Hungary, and the Hungarian people, unanimously took a stand for the lawful president of the Soviet Union. "I was speaking on behalf of the Hungarian Government and the entire Hungarian people when I highly evaluated and respectfully appreciated, in an official statement your historical role, and took a stand with leaders of the other democratic states for common sense and the forces of democracy to prevail in the Soviet Union", the Hungarian prime minister stresses in his telegram.

Antall has also cabled Boris Yeltsin, president of the Russian Republic. "I am pleased that the basic thought of our discussion in the afternoon has been proven true, that lawfulness and constitutionality have not been defeated. Your efforts were successful, the forces of democracy have stood the difficult test in the Soviet Union", Antall wrote, and wished further success to Yeltsin in his office.

Government Receives Gorbachev, Yeltsin Letters

LD2208195891 Budapest Kossuth Radio Network in Hungarian 1600 GMT 22 Aug 91

[Text] Mikhail Gorbachev has reaffirmed in his personal letter to the Hungarian head of government that his state of health was normal and that constitutional order would be completely restored in the Soviet Union in the coming days. Erno Kardos has further details of the letter as well as of today's government session:

[Kardos] The Hungarian government received two letters today from the Soviet Union. At the session today, Prime Minister Jozsef Antall first of all gave the members of his cabinet details of Gorbachev's letter. It also transpires from the letter that Gorbachev is in good health, and he officially announces that constitutional order has been restored in the Soviet Union. The Soviet President also points out that he has appealed to the countries of the world not to restrict henceforth the contacts that have been created with the region [as heard], because otherwise there will be a great shortage of food and medicines in the republics in the winter.

The Hungarian government will soon reply to the Soviet President's letter. However, it can already be taken as a reply that a committee has been formed under the chairmanship of Bela Kadar. The Minister of International Economic Relations has been given the task of placing on new bases and of expanding the fast-dwindling Hungarian-Soviet relations. He is to launch trading with the center of the Soviet Union as soon as possible, and also with the republics.

Boris Yeltsin's letter to Jozsef Antall arrived during the government session. In this, the President of the Russian Federation thanked the the Hungarian Prime Minister for the regard he displayed during yesterday's phone call. Boris Yeltsin confirmed that the leaders of the putsch had been arrested and that the procurator general had already started proceedings against them. He also confirmed that he wishes to cooperate closely in the near future with Gorbachev as well as with the parliament and decisively stated that power in the Soviet Union can no longer fall into the hands of ideologically reactionary forces.

At today's session, the government acknowledged Antal Annus's report on the talks he held with Admiral Grishin.

'Unconstitutional' Steps in USSR Crisis Viewed

LD2208145191 Budapest MTI in English 1019 GMT 22 Aug 91

[Text] Budapest, August 21 (MTI)—The government of the Republic of Hungary has, over the past days, devoted special attention to events in the Soviet Union. The responsible leaders of the country have, from the onset of the crisis, emphasized that Hungary cannot accept unconstitutional, violent steps contradicting European principles. They stressed that Hungary is fundamentally interested in the continuation of the democratic development in the Soviet Union.

The prime minister of Hungary directly contacted leaders of many countries, including German Chancellor Kohl, Presidents Bush of the United States, Havel of Czechoslovakia, and Walesa of Poland. Prime Minister Jozsef Antall also held a telephone conversation Wednesday with Boris Yeltsin, president of the Russian Federation. During all official contacts, Hungary has always considered the constitutional Soviet leadership as its partner. This policy is based on consensus and the parliamentary parties have expressed they are ready to support it.

The government of the Republic of Hungary, in the spirit of the earlier responsible political statements and steps, welcomes reports on the backing down of the anti-constitutional forces. It is of the opinion today's events reinforce that the peoples of the Soviet Union will stand for intensifying the democratic process and support the political forces which symbolize this, including the Russian parliament leadership, and the democratic bodies of the individual republics and cities.

On this basis, it can be hoped that constitutional order will shortly be restored in the Soviet Union, its representatives will again come to direct the country, and democratic transformation will continue. This creates favourable conditions for the further intensification of the Soviet Union's constructive role in international life, and for continuing, with new momentum, the building of new relations between Hungary and the Soviet Union, and Hungary and the individual republics, including economic cooperation. This is invariably a priority goal of Hungarian foreign policy.

The Hungarian Government is convinced that in the wake of events over the past days, the advanced democracies will view the dangers threatening our region more realistically and encourage all efforts to speed up European integration in our region.

Foreign Minister Discusses Hungarians in West

AU2208070891 Budapest UJ MAGYARORSZAG in Hungarian 18 Aug 91 p 5

[Article by Foreign Minister Geza Jeszenszky: "Hungary's Reconstruction And Hungarians Abroad"]

[Text] Hungary's change of regime created an entirely new situation in the relations between Hungary—the motherland—and Hungarians abroad. We were given the opportunity to exchange former division for cooperation. Hungarians were able to unite their strength in the interest of the historically unique task we faced. Our aim was to replace the dictatorship and unviable political and economic systems forced upon us with a flourishing country based on European humanist values, a country that incorporated the political and economic results achieved by Western democracies. Under the present circumstances, a successful national revival in Hungary is the best way to improve the situation of Hungarians living in our neighboring countries. Indeed, if Hungary is internationally respected and serves as a model, it is in an ideal position to support general Hungarian interests.

With the political change in Hungary, terms such as "emigration," and particularly "political emigrant," have become anachronistic, so in the future, we will prefer to speak only of Hungarians abroad, or of Hungarians living beyond our borders. I believe that several factors can, at long last, help Hungarians across the world feel appropriately united on issues of primary importance. Such factors include: the manifestations of national unanimity in the Hungarian Assembly; the restoration of legal continuity; the constitutional legal, economic, and value changes; the government's public program; the moral and financial compensation offered to citizens persecuted in the past; the liberalization of domestic economic possibilities, and the support of a clear majority in Hungary's society who support our fundamental political and economic aims.

I do not feel that it is my duty to try and analyze the reasons that used to divide Hungarians living in the West in the past, nor would that be possible within the framework of a short essay. Nevertheless, I would like to make a few comments on this subject, hoping that we will come to an understanding.

As a consequence of the tragedies of Hungary's 20th century history—tragedies largely brought on by factors out of our control—several hundreds of thousands of Hungarians fled the country. They fled to escape the red, white, brown, and green dictatorships, and to escape hopeless living conditions. Given that the new Hungary does not accept any links with the previous anti-democratic and oppressive regime, and given that the new Hungary offers freedom and chances for everyone—both in the political and in the economic sense—all those whose names were slandered over the last five decades can safely associate with the democratic Hungary that we are building at home. Over the past 20 years, Hungarians in the West were seriously divided, primarily because some believed that the "softer" Kadar dictatorship was a good starting point. These people returned home for visits, although most of them (save a few exceptions) limited cooperation to the sphere of language and culture, hoping that this would contribute to a further "loosening-up" of the Hungarian regime. Others, however, feared that contacts and visits would not lead to a weakening and collapse of the Communist regime, but to an unacceptable loosening of the emigrant community. Both views were based on honest intentions. History has settled the outcome of the debate, and there is no point in discussing who actually contributed to the fall of the dictatorship or to what extent they contributed. It would be much wiser to concentrate on our common happiness and on the possibilities of joint action that are now open to everyone.

Hungarians abroad were practically unanimous in expressing their happiness over the changes in Hungary, and they signaled their readiness to contribute to the rebuilding of this ruined country. Those of us living in Hungary expected this, in fact. When the changes were only just beginning, at a time when we were weighing up the possibilities of success, many of us said at several forums that during the decades of dictatorship, we had received encouragement, hope, and concrete help from the Hungarian emigrant community in the West. Should the changeover be successful, we counted on increased support from Hungarians in the West, and by combining this support with the results of domestic factors, we hoped to achieve considerable success. Hungarians in the West live in democratic circumstances and functioning economies, so they could provide experience as well as spiritual and financial benefits. Hungary does not have a West Germany, but Hungarians living in flourishing democracies do represent a kind of West Hungary for the population at home. At the time of the 1867 Settlement, only a few hundred emigres returned home, but with their experience and contacts, they greatly contributed to the quick flourishing of the Hungary of that time. Now, we can expect all this to happen a hundred-fold or a thousand-fold.

I am aware of the fact that, in this past year, Hungary has far from exhausted the help offered by Hungarians in the West. Many people are probably disappointed because in spirit, in words, or in actions, they have already "offered their services" to the new Hungary and its government, but so far, relatively few people have found ways of cooperating directly. Some people have even openly expressed their disappointment or dissatisfaction. We understand this. We feel that we should have done more to create a "new alliance" between scattered Hungarian community groups in the world and their motherland. Apart from voicing this self-criticism, I would like to mention certain facts.

Many people have successfully joined in the economic, political, and social life in Hungary. Hungarians from the West account for a significant number of the many joint ventures that have been established. Many foreign investments stem from Hungarians, or from friends and relatives of Hungarians. For years, Hungarian patrons from the West have played an extremely important role in our cultural and scientific life. Hundreds of advisers, contributors, and regular employees of dual nationality are employed in many of the institutions of our new state system—ranging from the prime minister's office to our diplomatic corps, via the specialized ministries. Thousands of people give advice through personal meetings or letters, thereby enriching Hungarian thinking and practical work. So why is it that many people still feel that we have not required their services? The state's omnipotence and omnipresence has ceased to exist in Hungary, so the state no longer appoints people (including Hungarians from abroad) to the heads of enterprises or institutions or to leading positions. Moreover, we do not even have the curriculum vitae or references of many of these Hungarians from abroad. Unfortunately, it is often coincidence or personal contacts that determine who can help the new Hungary, where they can help, and to what extent they can help. In response to this shortcoming, there have been several efforts in different areas to assess and collect the "offers" of Hungarians from abroad (what training they have, how they could assist Hungary's transformation, whether they would like to settle permanently in Hungary, whether they would like to work full-time, and whether they could help temporarily in Hungary without being paid or simply being given board and lodging). In fact, we should create two data banks, one for Hungarians living abroad, and one for the institutions and organizations that need their help at home. The "Experts for Progress" Foundation is a noteworthy initiative in this domain.

In many cases—despite the honest intention to help—we cannot organize final repatriation and active employment for people because the advanced age of the applicants, the children and grandchildren living in the recipient country, and the property abroad (and so on) make this impossible—it would be too much of a sacrifice, and it would entail too great a risk. Quite a significant number of people have been repatriated, and they are joining in with Hungary's domestic life with increasing success; but in some cases, reassimilation can be complicated, and sometimes it can even lead to disappointment.

Hungarians abroad often discuss a special area of cooperation, namely the Hungarian diplomatic corps. Hungarian emigres experienced a lot of grief with the functioning and staffing of the former Hungarian diplomatic corps. In the emigres' eyes, the embassies and consulates embodied the regime that chased them away. A great number of emigres wanted Hungary to entirely change its foreign ministerial staff. At the same time, here in Hungary, some people wanted significant personnel changes in our public services apparatus, but others warned the government that it should not remove "experts." I think that in this domain, as in others, it is advisable to opt for the sensible middle solution. However, as [philosopher] Istvan Bibo wrote, "the narrow but feasible road" is always criticized by both sides.

The new government is aware of the fact that, for a long time, the Kadar regime did not see just Western countries as its enemies, but also the Hungarian emigrant community, which it tried to divide, weaken, and in some cases "infiltrate." However, in the last years of the regime, a change also began in this area, and "hidden intentions" became less dominant in the interest shown by official Hungarian circles. However, more important than that, in the last few years the thinking and qualifications of the Foreign Ministry apparatus improved considerably, and this greatly contributed to the fact that in 1988, Hungary's foreign policy—which had been incredibly servile toward its "allies" until 1988, a bit like Athena from Zeus' head—suddenly emerged as an independent adult on the international scene. With the political change of regime, Hungarian diplomacy—which had been paralyzed and represented by people who feared each other for a long time—was able to smoothly take on the representation of national interests, and this considerably simplified the task of the new Foreign Ministry leadership. Naturally, we still needed to replace several ambassadors and diplomatic officials, and we had to employ new people. The number of new employees in the apparatus accounts for approximately 14 percent of our staff.

There was no scope for a greater personnel change because the number of suitable new candidates for a diplomatic career was not too high, of course. Naturally, we also considered the employment of Hungarian emigres. Some of the excellent specialists who left in 1948 have unfortunately passed away; others cannot be considered for active full-scale employment because of their advanced age. The emigres always posed a problem: Even though many of them studiously followed events in Hungary, their absence prevented them from being as familiar with these events as those people who experienced the decades of dictatorship at home. Nor could the emigres actively participate in the Hungarian opposition's struggle. A certain clock definitely stopped in them when they crossed the border.

We must also remember that not even those Hungarians who engaged in politics during their years as emigres could gain much experience in foreign policy, and those who worked in international organizations might have operated within the foreign policy apparatus of their new homeland, so they could not undertake to serve the new Hungary's diplomatic service because of legal or existential reasons. As a consequence of all this, we only employed a few Hungarians from abroad as members of our diplomatic corps. Most of these new recruits proved to be perfectly suitable, but there were also a few whose unfamiliarity with our domestic background or whose personal characteristics unfortunately led them to failure. However, in our appointments as in our dismissals, we only took knowledge and aptitude—that is, professional factors—into account.

On the basis of the aforementioned points, I understand that some Hungarians abroad find our diplomatic personnel changes unsatisfactory, that some of them disagree with some of our new appointments. I also understand that many of them have reservations concerning some of the employees who have remained in our apparatus, but I think that, on the whole, the proportion of the personnel change was adequate. The aptitude and dedication shown, and the active role played in Hungary's changes by the "new ones," have adequately complemented the experience of the "old ones," and despite the understandable difficulties of transition, Hungary's new diplomatic corps can rely on an appropriate personnel basis. Results speak for themselves: The new Hungary enjoys the confidence of the leaders of the democratic world, and it has joined the political "club" of a democratic and pluralist Europe, namely the Council of Europe. Following a Hungarian initiative, and in cooperation with our neighbors, the Warsaw Pact was disbanded. The Visegrad tripartite cooperation scheme was launched, the Pentagonale became Hexagonale, and our association talks with the EC are advancing. I could list other achievements, but allow me to emphasize the most important one: At the end of June 1991, the Soviet Union's troops left our country, and after a period of 450 years, our independence and sovereignty were clearly reestablished. The change of direction took place not only in politics; it is also progressing in our economic relations, and we are doing everything possible to maintain as harmonious relations as possible with our neighbors, including the Soviet Union. We are attempting to base our entire system of relations on equality of rights and on mutual advantage.

I am personally very happy that this revived Hungary has come into contact with many old Hungarian friends in the West, as well as innumerable new friends from Australia and New Zealand to America's West Coast, passing through Israel. I regret the fact that some people still have reservations, that they make decisions too rashly on the basis of misinformation, and that their statements are published by influential newspapers that are still highly respected in Hungary, despite years of prohibition. Democracies with serious traditions do not usually take their domestic debates abroad. Hungarian national interests are uniform abroad, and it would be highly desirable for Hungarians in the West to uniformly support fundamental common interests such as the issue of Hungarians living in the Carpathian Basin.

We still need to work out a framework for cooperation. We are perfectly aware of the fact that the World Federation of Hungarians has lost almost all credibility over the past years, and the only solution would be the creation of a free and democratic organization. The impending World Congress of Hungarians could be a forum where the elected and credible representatives of Hungarians throughout the world could create an organization that enjoys the widest possible confidence. The Hungarian Government does not want to actively interfere in the affairs of the new organization, but it is prepared to support all efforts that are based on good intentions and that try to further the unity of a Hungarian community scattered around the world—it is prepared to support anything that furthers Hungary's rebirth.

Under our old/new coat of arms, on the ancestral day of law [20 August], on the occasion of the celebration of our first king [St. Stephen], the Hungarian community scattered around the world should meet in the spirit of these thoughts.

Goncz Discusses Relations With Slovakia

AU2208191591 Bratislava SLOVENSKY DENNIK in Slovak 16 Aug 91 pp 1, 3

[Interview with President Arpad Goncz by Jozsef Szilvassy; place and date not given: "We Share a Common Fate"]

[Excerpts] [passage omitted] [Szilvassy] Many facts suggest that the Central European nations interpreted, and continue to interpret, individual events and reversals of our common history in diametrically opposite ways. What should we do, in your opinion, for peace to prevail in recollections of the past and for us to objectively assess both the lofty and the tragic moments of our coexistence, which dates back several centuries?

[Goncz] What you said in your question is true. It is high time for us to acknowledge the indisputable results of our coexistence and reciprocal cultural influence that account for our similarity. Both Slovaks and Hungarians would be poorer if they wanted, even if only in thoughts, to deprive themselves or the other nation of the spiritual and artistic treasures yielded by several hundred years of our coexistence, of the results of the medieval urban culture and rural wisdom that would never exist in the form in which they exist were it not for reciprocal influence. There were, in my opinion, more lofty than tragic moments in our common fate. An objective and unbiased study of our common heritage is a fundamental prerequisite.

[Szilvassy] Despite slogans about socialist internationalism, the last 40 years hardly helped dispel the distrust, verging sometimes on hatred, between the Central European nations. Mr. President, in your opinion how great are the chances for reconciliation among the nations of Central Europe today as we are trying to expand democracy?

[Goncz] The distrust has not been eliminated at all in those 40 years, and it is true, indeed, that the national feelings and patriotism that one attempted to suppress for the past four decades are now exploding, sometimes in the form of chauvinist expressions. I am convinced, however, that there is no alternative to sincere cooperation between our nations. I personally see some encouraging signs of reconciliation and goodwill stemming from our common fates.

[Szilvassy] The Central European nations currently devote far greater attention to intensifying contacts with their fellow countrymen living in exile, or with those members of their nation who live outside the borders of their own [ethnic] state [due to borders having been drawn leaving ethnic minorities in other countries]. How does the Hungarian Republic intend to enhance the identity of Hungarians living in neighboring countries and in other parts of the world; how does it intend to reinforce their attitude toward the mother tongue and the culture of their native country?

[Goncz] Naturally, the Central European nations want to reinforce their ties with their fellow countrymen living across the border. The main condition for realizing one's own identity is knowledge of the language and the awareness of belonging to an ethnic group. Neither in the case of Hungarians nor in the case of Slovaks is this a question of citizenship and state borders. I believe that the culture of ethnic minorities enriches the life of the majority nations and contributes to its greater diversity. The greatest sign of a nation's maturity is when it recognizes, and even appreciates, that someone is different. I think that both Slovaks and Hungarians have some catching up to do in this area to achieve a level that is worthy of their best traditions.

[Szilvassy] Like in neighboring countries, in Hungary there are also ethnic minorities, including Slovaks. The situation of Slovaks in Hungary is not satisfactory, in our opinion, despite declarations [about their equality] from the time of the party-run state and despite the undeniable goodwill existing at present. Alas, this goodwill is mostly reflected only in principles, and the scope for their education in the mother tongue and for their cultural realization is relatively narrow. Which specific steps does the Hungarian Government intend to take to enhance the identity of Slovaks living in Hungary, so that their existence as an ethnic minority does not face the threat of assimilation?

[Goncz] The question is surely warranted. The scope for the education of Slovaks in their mother tongue and for their cultural life is indeed narrow in Hungary. Affirmative action [pozitivna diskriminacia] is necessary in this situation, in my opinion—on both sides. Empty talk is really not enough. On the other hand, we have to realize that the economic potentials of our countries are limited. To avoid the threat of assimilation, the ethnic minorities must also make use of the support and active help of the mother nation. [passage omitted]

[Szilvassy] Mr. President, you participated in the Pentagonale's cultural festival at Cividale, an event that contributed to the building of real friendship and cooperation between the CSFR, Hungary, and Poland. Will those three countries move closer to each other, will they move closer to Europe?

[Goncz] In terms of their fate, which is the product of revolutions, politically, but also in terms of the problems they are facing, the CSFR, Hungary, and Poland are much closer to one another today than ever before in history. Once the difficulties that beset us today are behind us, we will also have time for each other's cultures, time to pay more heed to one another. And, who knows, one day it may no longer be considered a crime when a Slovak tries to "smuggle" Hungarian salami from Hungary or when a Hungarian tries to "smuggle" ski boots from Slovakia.

[Szilvassy] Mr. President, thank you for the interview.

Figures Show Yugoslav Trade Developing Favorably

AU2208190391 Budapest MAGYAR HIRLAP in Hungarian 21 Aug 91 p 9

[MTI report: "The Crisis Cannot Be Felt"]

[Text] An official from the Ministry for International Economic Relations told MTI that Hungarian-Yugoslav trade had been developing favorably since the beginning of the year and that the effect of the crisis could not yet be felt in this area.

In the first half of 1991, Hungarian-Yugoslav trade amounted to almost $280 million. Hungarian exports accounted for $180 million and our imports totalled almost $100 million. This shows that our efforts to somewhat reduce last year's $270 million surplus could be successful, and we could still try to maintain last year's trade figure of $600 million. However, according to the foreign trade expert, it is also quite probable that the Yugoslav internal crisis will start to affect our bilateral trade in the near future.

Walesa Comments on Soviet Situation, Ramifications

LD2208201191 Warsaw TVP Television Network in Polish 1730 GMT 22 Aug 91

[Excerpts from a news conference by President Lech Walesa at Belweder Garden on 22 August—Walesa's remarks recorded; no video available]

[Text] [Announcer] I hope the Soviet nations will succeed with their reforms. We are ready, even compelled, to cooperate, President Lech Walesa said at a news conference in the Belweder Garden.

Four days after the beginning of the putsch in the Soviet Union, we have an official pronouncement by President Walesa on the situation in the USSR and its consequences for Poland. The Belweder unexpectedly let journalists know about the news conference, precisely two hours before it began. Why did we have to wait until today for your official statement on the situation in the Soviet Union?

[Walesa] Well, you probably didn't have to wait. However, I have quite good experience from my internment and in all these actions, as you know. As a result of this, at such a moment I do not create an artificial crowd even on the air waves. I do not bother even you, so as to analyze the situation well and draw the best conclusions and steps. The situation did not require such statements and meetings. You coped very well.

[Announcer] In reply to the question whether Lech Walesa is waiting for a clarification of the situation in the Soviet Union, the president said:

[Walesa] I think I spoke at the appropriate moment and presented my view. However, I did not hurry—as I like to put it bluntly—to win in such situations.

[Announcer] The president was asked if he was ready to recognize the independence of Lithuania.

[Walesa] That is a great issue, in which it is necessary to recognize the independence of Lithuania. We, after all, always recognized other countries, and we are going to recognize. However, the formal and legal arrangement of these formalities is a little bit complicated, and I think we will move in that direction.

[Announcer] Was the danger posed by the Soviet Union to Poland a bargaining card in the president's talks with leaders of Western countries about Poland's association with the EC?

[Walesa] No, to use blackmail, to threaten, is not what it is about. Here, it is a question of the need to find understanding, showing the pictures that are emerging, and which ones are going to be next. And those pictures help us in our arguments. I am convinced that each delay in association, in helping us to get the orientation on using our possibilities, as here we are talking about possibilities that exist, only they are not being utilized, and their nonutilization by not being with Europe causes such complications.

At the same time, it does not give the Soviet peoples, it does not give models that what we are doing is, in fact, good and will have results. So, they have no arguments for continuing their reforms. And so, on many planes, our reforms have to be successful for Europe and the world.

[Announcer] What was meant by the president's appeal to the Sejm for calm and caution?

[Walesa] We know that, after all, we are in an election campaign, and we know that the Soviet Union is a subject on which a great deal can be said. A great deal can meet with approval, if somebody wants it, a great deal may not, if somebody wants it. From the outset, I wanted caution and responsibility to take the upper hand over emotions everywhere. Indeed, as you noticed, in the Sejm and in all of society there was only that which comes inside the limits of common sense.

[Announcer] Why did the president telephone General Jaruzelski immediately after receiving the report of the coup in the Soviet Union?

[Walesa] I decided on the conversation to present the situation and to request from him, where he has influence, to appeal or to cooperate so that this time Poles would take a joint approach to this difficult subject, so that there would be no kind of division. Because many times in our history when there were decisive moments, that was when the differences of opinion started. Here there is a democratically elected president, and all solutions are subject to him. There must be the maximum consultation, so as to choose the best solutions, so as not to make a mistake. In this consultation, I needed Jaruzelski's opinion and Mr. Kiszczak's, and Mr. Jaruzelski's. [as heard]

Walesa, Bielecki Assess USSR Coup Aftermath

LD2208225491 Warsaw PAP in English 1155 GMT 22 Aug 91

[Text] Warsaw, Aug. 22—President Lech Walesa met with Prime Minister Jan Krzysztof Bielecki before noon on Thursday to discuss the situation after the collapse of the Soviet coup.

Both statesmen stressed the need for special Polish activity in the appropriate presentation of the Polish reforms. It is also necessary that all the political forces in Poland give priority to the nation's interests over their own particular ones, Walesa and Bielecki emphasized.

Government Spokesman Comments on USSR Events

LD2208210791 Warsaw Radio Warszawa Network in Polish 1708 GMT 22 Aug 91

[Text] The government's stance toward the latest events in the Soviet Union was presented by Spokesman Andrzej Zarembski, during a news conference that has just ended. He said, among other things:

[Begin Zarembski recording] The latest reports from Moscow indicate that the situation in the Soviet Union is returning to the framework drawn by the Constitution. From the point of view of Polish interests, the Polish raison d'etat, this means that the potential danger of a direct threat to our country has lessened. As it happens, this danger, according to our evaluation in the last few days, was never an alarming one. Nevertheless, in our assessments we took even this extreme into consideration—this is understandable given the fact that we are so near and that we are neighbors.

The threat of a mass wave of refugees from the Soviet Union has also lessened. Neverthless, we consider that there still lies before us a very difficult perspective as far as mutual economic relations, and especially trade exchange, are concerned. This matter, looked at from today's perspective, may turn out to be the most negative result of the situation that has arisen. It may mean, among other things, a deepening of the difficulties with which our country's budget has to contend.

In the opinion of the Polish Government, however, we must be wary of having an unequivocal opinion concerning the future development of events in the Soviet Union. For that very reason, the advisory team set up on Tuesday by a decision of the Council of Ministers will continue its work. We will be analyzing the course of events and presenting the results of these analyses to the president and the prime minister.

A most important matter is to accelerate negotiations on the treaty concerning bilateral relations. Another very important matter is to speed up negotiations on the withdrawal of Soviet troops from Poland. As you know, ladies and gentlemen, the 11th round of negotiations on this subject began in Warsaw yesterday. These negotiations will continue tomorrow as well. The most difficult in this phase of the negotiations are talks concerning assets and finances and legal matters, connected with the Polish side taking over assets and buildings vacated by the withdrawing Soviet troops. We hope that the turning point reached in Moscow yesterday will lead to the process of reforms there being made more permanent and more far-reaching and that the introduction of the rule of law in that country will create a new chance for us to achieve a new kind of tempo in bilateral negotiations. I can expect this round of negotiations not to bring about final solutions—that is why the next round should take place quite soon.

We are vitally interested in mantaining good relations with the Soviet Union. The course of events during this week has confirmed our conviction that the course of history cannot be turned back by force. This has been a hard test for the reforms, which has also revealed the threat of a dangerous alternative to these reforms.

As for us, for Poland, as I have already said on Monday, it gave us an additional impetus to continue our own reforms in a consistent manner. I have already said that this is the best guarantee of Polish security: the building of democracy, the building of a free market and our endeavors to associate with European communities. [end recording]

Politicians Welcome End to USSR Coup Attempt

LD2208214891 Warsaw PAP in English 2011 GMT 22 Aug 91

[Text] Warsaw, Aug. 22—Relief was the keynote of comments Polish politicians made here Thursday in the wake of the short-lived coup in the Soviet Union and Mikhail Gorbachev's return to his office. Excerpts:

"This is an important lesson not only for people in the Soviet Union but also for us here in Poland, especially those who for a short while perhaps thought that it would be possible to carry out economic reforms without democratic ones," Secretary General of the Democratic Union (UD) Piotr Nowina-Konopka said.

According to Zbigniew Bujak, leader of the Democratic-Social Movement (RD-S) the attempted coup is a warning for other European states. "Such attempts may occur repeatedly unless young democracies receive support while transforming their social and economic systems," he cautioned.

The Liberal-Democratic Congress (KL-D) "Welcomed with great satisfaction the return of the constitutional authorities in the Soviet Union" and expressed hope that "This will favour normalization processes in that country" and help "Preserving and deepening goodneighbourly relations with Poland."

Krzysztof Krol of the Confederation of Independent Poland (KPN) predicted that the attempted coup will "Finally seal the fall of Communism," while Janusz Korwin-Mikke, leader of the Union of Realpolitics, said he is still "very much concerned over the further course of events in the Soviet Union as the thwarted coup revealed weaknesses of both sides involved." Stanislaw Tyminski of the party "X" said he still does "not know who pulls the strings" on the Soviet political scene.

The Polish Socialist Party (PPS) welcomed the declarations of independence of Estonia and Latvia, while Waldemar Pawlak, leader of the Polish Peasant Party (PSL) declared: "It is in the historical interest of the Polish nation to preserve good and friendly relations with our eastern neighbour." Similar opinion was voiced

by the Christian Democratic Labour Party and the Christian Democratic Forum.

Wojciech Jaruzelski, former Polish president and Communist Party leader said he was happy that "Gorbachev, the architect of perestroika, will be able to continue the work he initiated."

"Poland as a country of the most advanced reforms has today a particular chance to develop friendly relations with our great neighbour, based on equal footing," he declared.

Commentary Views Soviet Coup, Central Europe

AU2208110591 Warsaw ZYCIE WARSZAWY in Polish 20 Aug 91 p 1

[Kazimierz Woycicki commentary: "A Test for Europe"]

[Text] The putsch in Moscow poses a dramatic challenge for Polish politics. It shows, above all, that Stalinism has still not entirely become history, that it possesses enough strength to oppose democratic reform. An ominous shadow has been cast over countries such as Poland, which have barely left the Soviet bloc. The putsch in Moscow enjoins us to contemplate whether we have a right to feel secure and to consider what requirements this imposes on domestic policy. The events in the USSR must have an impact on the election campaign, and everyone who wants to participate in the campaign in a responsible fashion will have to assume a clear stance regarding the Polish state's national interest, which is our common worth. The events in Russia force us to change the way in which we think about Polish affairs.

The great stake played in Polish foreign policy was that of simultaneously drawing closer to the West and the East and of overcoming Poland's unfortunate geographical location between two great powers. Nevertheless, yesterday's events in Moscow force us to analyze certain other scenarios as well. Even the receding vision of a democratic Russia and the need for more intensive ties with the West that this entails should not obscure the fact that Poland also has interests in the East. A task of first-rank importance for Poland in this situation is to prevent the affairs of our region from being shelved by the rest of Europe. That the Czechs, Slovaks, Hungarians, and Poles share a common fate has been strikingly confirmed over the past few days, although Poland finds itself in an even more difficult situation, because there are still Soviet forces on its territory.

Yesterday, Western statesmen said that they will be even more united in their actions with respect to the putsch in Moscow. Will the collapse of reform in Russia raise the price of change in Warsaw, Prague, and Budapest for the West?—There is still no answer to that question. A united stance on the part of the West may mean more cooperation for Poland and that our state will be placed in a buffer zone that will be viewed as a matter of expediency. The decisions that will be made in the near future, not only in Moscow but also in other capitals, will determine the future of the entire continent.

Skubiszewski on Soviet Troop Withdrawal Issue

LD2208173991 Warsaw PAP in English 1517 GMT 22 Aug 91

[Text] Warsaw, Aug. 22—Polish Foreign Minister Krzysztof Skubiszewski refused on Thursday to answer a question about possible consequences of the failed coup in the Soviet Union but stressed that he would like Polish-Soviet talks on the withdrawal of troops and signing of a new treaty to be more conclusive.

"In my opinion at the moment an atmosphere may be created that will be better for settling these issues that have been long waiting for a solution. The delaying of the issue of a treaty on the pullout of troops by the Soviet Union does not meet the requirements of our good relations and does not lie in the broader interest of peaceful development in Europe," he stated.

Skubiszewski added that a new treaty between the two countries cannot be based on old models and reflect an influence made by a superpower on a weaker partner but must follow the CSCE principles in 100 per cent.

Asked about Poland's attitude towards the announcement of independence by Latvia and Estonia, the foreign minister said: "Poland supports the aspirations of these republics. I expressed this support during my talk with Lithuanian Foreign Minister Algirdas Saudargas on Wednesday."

Soviet Army Withdrawal Talks Continue

LD2208194791 Warsaw PAP in English 1635 GMT 22 Aug 91

[Text] Warsaw, Aug. 22—Head of Polish delegation to the negotiations on Soviet Army withdrawal Jerzy Sulek reported on Thursday that the talks of the second day of the 11th stage of negotiations focused on the deadline for Soviet Army withdrawal, dates and requirements for individual military transports and financial settlements.

Jerzy Sulek said that little progress was made in the financial field and added that a special group was set up to fix taxes and establish customs fees for Soviet property taken out of Poland.

Meanwhile, on Thursday afternoon, another Soviet transport taking away communications equipment and some 330 soldiers and officials left from Bialogard to Braniewo, a northern Polish city bordering on the USSR.

It is expected that the remaining soldiers and officials of the communications battalion will leave Poland on Tuesday, August 26. However, the deadlines for the withdrawal of other military units stationing in Bialogard are still not settled.

Meanwhile, a group of Polish geology experts from Szczecin (north-western Poland) that was supposed to

examine oil contamination was refused entry to a Soviet naval base in Swinoujscie and air bases in Kluczew and Chojny (Szczecin Province) on Thursday.

Solidarity Members Allowed to Contest Elections

LD2208060291 Warsaw PAP in English 2150 GMT 21 Aug 91

[Text] Gdansk, Aug. 21—The Solidarity National Commission decided on Wednesday that 192 candidates would run for Sejm seats in 32 electoral districts on Solidarity tickets and that 32 Solidarity candidates would run for seats in the Senate.

The commission adopted a more liberal interpretation of its own resolution passed a month ago banning trade unionists-members of political parties to run in the elections. They can run for seats in Parliament provided that after the election they suspend their party membership for the term of their office.

There are over 20 members of the Solidarity National Commission and several members of its Presidium among Solidarity candidates for Sejm deputies and senators.

The Solidarity National Commission decided that this union would also forward a full national list and defined the principles of selecting candidates from district lists.

The Commission decided that instead of celebrating the 11th anniversary of signing the August agreements it would hold an extraordinary meeting in Starachowice, central Poland, August 31 in connection with the strike of the working crew of the Star truck factory, for which full support was voiced.

The meeting is to discuss not only detailed problems of the Star factory, whose workers are afraid of the lock-out, but also the state industrial policy. According to members of the Commission this policy poses a threat of totally ruining the state industry, while the Solidarity-government talks on issues of industry did not give any results to date.

The Commission decided to formally enter collective dispute with the government over not applying the law on shaping wages in the budget-financed sector and the absence of any other proposals to solve this problem.

The Commission passed a "message to the Estonian Parliament" congratulating the Estonian people upon issuing the declaration of independence.

As an organizer of the "August days", the board of the Solidarity region in Gdansk said Wednesday that a soccer match of the government vs. Solidarity National Commission, scheduled for August 25, was cancelled "because of the existing circumstances." It was to have been played in Gdansk as a highlight of the celebrations of the 11th anniversary of signing the August 31 agreements.

From the very beginning, the match aroused doubts of some Solidarity members who believe that "one should solve problems with the government rather than play soccer with it."

Farmers Plan Nationwide Strike on 5 September

LD2208103391 Warsaw Radio Warszawa Network in Polish 1600 GMT 21 Aug 91

[Text] In view of the Government's failure to implement its demands, the protest committee of the National Union of Farmers, Agricultural Circles, and Organizations [KZRKiOR] has decided to declare a general strike of farmers throughout the country on 5 September. The communique does not specify what form the strike will take. The committee has stated that it took into account the president's appeal to settle disputes by negotiation and set a distant date for any protest so that, taking this into consideration, the Government can make decisions to stop farms going under.

Iliescu Cables Gorbachev Upon Return to Power

AU2208161591 Bucharest ROMPRES in English 1457 GMT 22 Aug 91

[Text] Bucharest, ROMPRES, 22/8/1991—Romania's President Ion Iliescu sent, on behalf of the Romanian people, a telegram to USSR President Mikhail Sergeyevich Gorbachev, saying:

"During the past three days, that have shaken the international political life, we have closely followed, with anxiety, the developments in the USSR and have felt solidarity with you, with Boris Nikolayevich Yeltsin, with the democratic forces, challenged by the brutal attempt of conservative circles to reverse the natural course of history.

"We were afraid, I confess, for your life, for a future threatening us with incertitude, for the fate of the Soviet citizens. But we publicly expressed our confidence in the unavoidable failure of the conservative forces, in the irreversible character of the renewing processes you initiated.

"The defeat, so fast, of putchists and the victory of the democratic forces have shown how deep the renewal movement has taken roots and how popular it has become among the peoples of the Soviet Union, in spite of the socio-economic difficulties they have to cope with.

"We believe that this trying experience will consolidate the democratic forces and will provide the relations between our countries with a stronger foundation".

Iliescu Congratulates Yeltsin, Calls Him 'Hero'

AU2208161791 Bucharest ROMPRES in English 1419 GMT 22 Aug 91

[Text] Bucharest, ROMPRES, 22/8/1991—Romania's President Ion Iliescu has sent to Boris Nikolayevich Yeltsin a telegram which reads:

"There are times when history reveals its real heroes. The days of commotion you have just lived through were such a time and for the Romanians and for the whole world you are such a hero.

"In behalf of the Romanian people, that have followed with emotion the recent events in the Soviet Union, we congratulate you for your courage, dignity and high humanism".

Iliescu Receives Letter, Thanks From Yeltsin

AU2208200491 Bucharest ROMPRES in English 1914 GMT 22 Aug 91

[Text] Bucharest, ROMPRES, 22/8/1991—Boris Yeltsin, president of the Russian Federation, sent to Romanian President Ion Iliescu a letter on August 22, which reads:

"Allow me first to thank you for your care for Russia, for its struggle for freedom, democracy and social progress, shown during our telephone talk.

"I think it my duty to let you personally and your country's state leadership know the following:

1. Legality and constitutional order has been reinstated by us all over the territory of the USSR.

2. Thanks to measures taken by us, the USSR president was set free from the arrest imposed on him by the putschists and has returned to Moscow. The forces that had prevented it have been removed. Mikhail Sergeyevich Gorbachev is now in a position to further discharge his constitutional duties.

3. The organizers of the coup d'etat were arrested and kept under guard upon our order. The prosecutor general has started legal proceedings against them. I intend to establish soon together with the president of the USSR the procedure of prosecuting them according to the laws of the RSFSR.

"In conclusion, until the moment when President Gorbachev starts discharging his duties, we exercise the supreme authority in the state. We fully control the situation.

"Allow me to assure you once more of our attachment to the ideals of democracy and freedom. You can be sure we will not allow the demons of the dark to lay hands on Russia again," concludes the letter signed by Boris Yeltsin.

Iliescu, Roman, Party Leaders on Moscow Events

AU2208185691 Bucharest ROMPRES in English 1804 GMT 22 Aug 91

[Text] Bucharest, ROMPRES, 22/8/1991—The meeting, Thursday, 22 August, at Cotroceni Palace, of Romania's President Ion Iliescu with leaders of political parties represented in Parliament was attended by Prime Minister Petre Roman and the presidents of the two chambers.

The talks, which lasted three hours, revolved around the Soviet crisis and aspects of immediate and future interest for Romania's political and economic life.

Relative to the situation in the Soviet Union, everybody agreed on the important role played by internal and international solidarity for the return of the USSR to the democratization process. Both the Romanian President and the political leaders present appreciated the prompt, correct and unitary positions adopted by the country's leadership and most of the political parties.

Seizing on the openness shown these days for a constructive dialogue President Iliescu invited again the political and non-political forces of Romania to cooperate so as to overcome the obstacles lying across the road towards

democracy and a free economy and the difficulties arising from the complex process of transition.

At the end of the discussions, President Iliescu said the meeting with political leaders had proved useful. He also added:

"I was glad to see that at trying moments of heightened political tension as those caused by the events in the USSR have been, in spite of a large spectrum of opinions, of divergent viewpoints between parties, of confrontations in and outside Parliament, we can rely however on a national conscience that rallies all political forces around the supreme national commandments, around the country's interests.

"We have also approached practical aspects of the resumption, in about ten days, of the parliamentary session, whose major task is the completion of the constitution and the discussion of the two drafts on the country's physical planning and the local elections."

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Prime Minister Petre Roman said, in his turn, that the meeting was fruitful, useful and proved that all serious and responsible political forces born after and thanks to the revolution of December 1989 were unanimous in rejecting the old rule. "At this meeting", he said, "I have tried to convey to all political leaders the message to join, shoulder to shoulder, in finding a formula, no matter which, of working together to surmount the hardships and accede to a better economic situation."

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"The today's meeting proved its unquestionable usefulness. It proved that all the political forces of this country share the same positions on matters that concern the reform process in Romania", said Assembly of Deputies Speaker Dan Martian.

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National Peasant Party Leader Corneliu Coposu opined that communism was for ever uprooted from Romania's history, that its comeback was impossible. "I was pleased to see that this time again, just like during the Gulf war, the political leadership of Romania chose the right direction, which was duly appreciated in the whole civilized world."

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National Liberal Party President Radu Campeanu said the Soviet experience showed that a certain extreme was bound to take over in the Soviet Union, and that was the extreme faithfully serving the old Marxist-Leninist ideology. "After the lesson they've been taught, this return to the past order becomes impossible in the USSR."

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UDMR [Hungarian Democratic Union of Romania] President Domokos Geza said: "The past three days I think have prompted all of us to meditate over what happened in the Soviet Union. This oppressive moment has passed. As far as we in Romania are concerned, I think we ought to listen to one another more carefully."

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Agrarian Democratic Party Leader Victor Surdu condemned those forces that, since the revolution of December 1989 have done their utmost to defame the Romanian people's effort to achieve something in a democratic way. This brought about the late reaction of Europe and the world in giving Romania a helping hand, although for many years, Romania's predicaments followed one another, from the loss of territories in World War II, the loss of its national treasury, to the 24 years of war reparations paid to the Soviet Union and 40 years of uncompetitive export to the international market, just because Romania, beyond its will, had been assigned to a "Stalin plan" and not to a "Marshall plan" by the discretionary will of the great powers of the world and of Europe in the first place."

FSN Members, TU Delegates Support Democracy

AU2208200591 Bucharest ROMPRES in English 1919 GMT 22 Aug 91

[Text] Bucharest, ROMPRES, 22/8/1991—Members of the National Salvation Front [FSN] leadership had talks Thursday, 22 August, with leaders of the Agriculture and Food Industry Union Confederation, the National Confederation of Free Unions and the Machine-Building Union Confederation, in connection with the events in the USSR and with certain aspects of social and economic life in Romania.

FSN Vice-president Ioan Moldovan stated that special attention was given to how the reform progressed, to the political changes occurring every day. The conclusion giving reason for satisfaction was that, irrespective of the positions formerly held by unions on economic, social and political affairs in Romania, they all support the state of law and democracy, and, when these are jeopardized, they will be on the side of those who guarantee the defense of democracy.

'Faults' in Economic Accord With Moldova Noted

AU2208195091 Bucharest ROMANIA LIBERA in Romanian 16 Aug 91 p 3

[Adrian N. Ionescu article: "A Moderate Accord"]

[Text] The economic accord that has been concluded with the Republic of Moldova and that pleased every decent Romanian has two major faults.

After the joy, two gaps have emerged: 1) The implementation of the accord has been postponed to a virtually unknown date, to a date when the sides will declare, in accordance with Article 10, that "all legal requirements have been fulfilled." 2) The usual note for such an accord

that should stipulate the possibility of mutually granting the Most Favored Nation status is missing.

The second fault—to start with the second one—is almost impossible to solve. The preferential regime of customs fees can be practiced only among independent countries. The Republic of Moldova made known its option in this respect, but this only means that the issue of direct exchanges with Romania became even more delicate. The legal ways currently practiced in the USSR demand that every republic should discuss the level of custom fees with the center as well as its direct exchanges with other countries. So far, the Union's regulations are being observed. There is no need to emphasize how difficult will be the road until we reach a direct convention between Chisinau [Kishinev] and Moscow on the possibility of a preferential regime of the Moldova's trade with Bucharest. The fact that the accord includes the note that the economic relations between Romania and Moldova will be based on the principles of international law is thus amended to a generous declaration.

There are a few other "details" to be clarified. Twice it is repeated within the accord that economic relations between the two sides will be carried out "in accordance with the current laws in force in the two countries." This particular precaution is not accidental, and Mr. Ion Perpegel, director within the Ministry of Tourism and Trade, explains it through the scrupulosity of "our lawyers." Thus, we reach our first fault. We asked Mr. Perpegel: "When will the accord be implemented, and what legal difficulties can you foresee?" He answered: "None. We have to work out the list that includes goods that will become the object of our exchanges, and banking arrangements have to be perfected on ways to carry out payments." But this is where difficulties are emerging. If the republics of the USSR are allowed to establish their own foreign trade enterprises, in the banking area the Republic of Moldova, for example, has only branches of central banks. Will it be possible to establish in Chisinau a so-called Romanian-Moldovan joint bank? Then, what would its legal status be, and under whose jurisdiction would the enterprises of the Moldova "beyond the border" operate? How many of those enterprises are in the "union's interest" and to what extent can one rely on them? How is the economic legality developing in the Republic of Moldova (and elsewhere)? These are questions, and the implementation of the accord—whose greatest merit is that it exists at all—depends on the answers to these questions.

Romanian Parliamentarians Meet Press in U.S.

AU2308073891 Bucharest ROMPRES in English 1916 GMT 22 Aug 91

[Text] Bucharest, ROMPRES, 22/8/1991—Independent Senator Antonie Iorgovan assessed on Thursday [22 August] that the Jackson-Vanick Amendment waiver by the U.S. president would have extraordinary effects on the political and economic relations between Romania and the United States as also on Romania's relations with other states.

Speaking at a meeting with American and international mass media representatives at the national club of the press in Washington, the Romanian senator mentioned that President Bush's signature opened a great many doors that had been closed for Romania.

Mr. Iorgovan told the journalists about the activity of the Romanian parliamentary delegation including the members of the Commission for the Drafting of the Constitution, mentioning interviews at the Department of State with Richard Schifter, assistant secretary of state for human rights and human services, at the Supreme Court of the U.S. and at the Congress. The purpose of the visit to the U.S., Mr. Iorgovan said, was, among other things, to get in touch with us experts in constitutional matters in view of swapping experience.

Nastase Meets Mitterrand in Paris

AU2208183091 Bucharest ROMPRES in English 1747 GMT 22 Aug 91

[Text] Bucharest, ROMPRES, 22/8/1991—President Francois Mitterrand received, Thursday [22 August] morning, at the Elysee, the Romanian Minister of Foreign Affairs Adrian Nastase, who handed the president of France a message from President Ion Iliescu. The message contains the Romanian head of state's considerations and conclusions on the events in the USSR, regarded as a conditioning factor for international detente and cooperation, for the general European construction, for the progress of the East-European countries towards reform and real democratization. The message also refers to matters of bilateral interest, such as the extension of the French-Romanian political, economic and financial cooperation, Romania's accession to West-European institutions, including the rapprochement with the EEC.

According to authorized sources, in the talk the French president and President Iliescu's special envoy had they also briefly touched topics related to ensuring the Paris-Bucharest relations continuity and variety. The French side stated its readiness to suggest and sustain Romania's adherence to the "European circle".

Foreign Minister Nastase had, on the same day, an interview at Quai d'Orsay with his French counterpart, Roland Dumas, with whom he approached the subjects of the European construction, the democratization processes in Eastern Europe and the difficulties arising from neo-communist and anti-reformist tendencies. The sides agreed that the recently solved crisis in the USSR has been a relevant test for the new resources of the international community to react and reject any set-back of the reforming and liberal course of development, especially in the East-European area. The two foreign ministers reviewed the French-Romanian major economic projects and the stage reached by the consultations on

the bilateral treaty of amicable understanding and cooperation between France and Romania. It was decided that the negotiations should be continued during the proceedings of the French-Romanian Joint Commission in October this year, when Foreign Minister Roland Dumas is expected in Bucharest.

At the end of the meeting, Foreign Minister Nastase stated to a ROMPRES correspondent: "This was an opportunity for me to reassert Romania's political options and to discuss certain conclusions that should be had in view when analyzing the events in the Soviet Union, which betray a still fragile democratic evolution and the need for a resolute and an as much as possible concerted action towards this irreversible course. I have also pointed out a few elements that could aid the course of reform and liberalization in Romania, the faster integration of Romania in the Western institutional structures. We have also weighed the possibilities of getting a greater support from France and the other Western countries for Romania's association to the EEC and for encouraging the reforming and renewing mechanisms in Romania."

Iliescu's Privatization Statement Viewed

AU2308084891 Bucharest ADEVARUL in Romanian 15 Aug 91 p 2

[Report on President Ion Iliescu's statement on promulgation of Privatization Law, in Bucharest on 14 August]

[Text] Romania's president promulgated the Law on the Privatization of Trade Companies on Wednesday, 14 August 1991. Referring to this event, Mr. Ion Iliescu made a comprehensive statement from which we quote as follows:

Since there have been numerous discussions and controversies about this law, both in Parliament and in the press, and since there have even been opinions in the nature of an ultimatum, especially after the withdrawal of some deputies and senators from the discussions in plenum of the two Parliament chambers, I would like to make some specific points and assessments.

For two weeks, I examined the initial text of the draft law that the government submitted to Parliament, as well as the amendments that were presented and discussed within the special commissions appointed by the two chambers, and the amendments and additions made within the plenary session of the two chambers. I went through the four alternative draft bills presented by certain political formations, namely by the National Liberal Party, which also took over the proposals of the Alfa Trade Union Central, by Mr. Cojocaru, the National Peasant Christian Democratic Party, the Magyar Democratic Union of Romania, and by the Liberal Party-Youth. I also perused certain materials published in the press that criticized the government draft bill or expressed concern about some of its provisions that might have a negative influence on the economy. Disregarding labelings and emotional assessments and eliminating suspicions, I started from the assumption of the good intention and desire of all involved to eliminate law provisions that may harm national interests.

This law does nothing but specify the way in which the privatization of trade companies is to take place.

This process is certainly not easy. There is no equivalent experience in this respect to draw on. Therefore, the formulation of this law has required a long time. One year. Therefore, I believe that the assessment, sometimes heard, that it was formulated and promoted hastily lacks any grounds. The basic problems of this law have been discussed at length between experts, at the Economic Research Institute, in the specialized press, in some periodicals, and on television.

The team that worked on the formulation of this draft bill has consulted numerous Romanian and foreign experts. Discussions have been conducted with the representatives of political formations and trade union centrals.

The Parliament has worked on this law for almost two months, one and a half months within the appointed specialist commissions incorporating representatives from all formations in Parliament, which discussed and came up with 173 amendments. Then, for almost two weeks, problems were discussed at plenary sessions of the two chambers, where new amendments were presented and changes in the wording of the bill were made.

Comparing the text of the law adopted by the Parliament with the initial draft bill of the government, one is able to note substantial changes, which reflect the concern to bear in mind all criticism and proposals made, including those by the political formations that left the Parliament discussions. In this respect, I cannot help expressing my regret that both the opposition and the majority formations did not prove to have the patience and the necessary tolerance to work together to the end, and I also regret that they also did not make constructive use of my intervention, whose aim it was to seek ways of conciliation. I would like to explain this failure through the tiredness of the parliamentarians, who have indeed had a very busy year, full of tense and worrying work.

Upon close study, one can note that the differences referred only to certain aspects in two chapters of the law and that many of them were solved in the final version. Some of the proposals are incompatible, not only with the law that has been adopted, but also with Law No. 15, and with the principles of the market economy.

As far as the free of of charge transfer is concerned, it is specified that this transfer is taking place through the distribution of ownership certificates that will represent shares in financial companies called private ownership funds.

As far as the administration and sale of state shares or social securities are concerned, that is, the remaining 70 percent, this will be achieved by means of a public trade or financial institution called the state ownership fund. The greatest number of remarks and fears have been expressed in connection with these funds. Some formations, including the National Liberal Party, proposed that the functions of the two institutions that are to be set up on the basis of this law, namely the private ownership fund and the state ownership fund, be fulfilled by the National Privatization Agency and the Ministry of Economy and Finance. As is obvious, such a proposal is at variance with the principles of the market economy; it would preserve former administrative mechanisms for guiding the economy and, actually, would hamper the privatization process and the promotion of the market economy. The two kinds of funds promoted by this law are economic-financial institutions that are working on the basis of trade principles and, through their actions, contribute to the formation and development of the capital market—a condition for promoting the market economy.

The role of private ownership funds as economic-financial institutions is to prevent chaos and the disorientation of people who are not used to handling bonds, and to ensure—at the beginning—relatively equal chances for all citizens who have received such securities, including the distribution of yearly dividends. They play the role of institutions, ensuring the protection of the citizens in the incipient stage of this process. Moreover, this law includes an amendment offering the possibility for holders of ownership certificates to turn them into trade company shares whenever they deem fit, within five years, the period during which these private ownership funds will be in operation. At the same time, as a favorable response to the proposal made by certain alternative draft bills, this law does not rule out the possibility of creating mutual fund types of associations that may be set up on the basis of an agreement among the holders of ownership certificates. As a matter of fact, after five years, the private ownership funds—if they are still administering certificates that have not been turned into trade company funds—will turn into the mutual type of trade companies, while the respective ownership certificates that still exist in the records of these funds will turn into shares of these new companies.

Certain proposals were made that were also included in alternative draft bills. For instance, there was a proposal to increase—from 30 to 50 percent—the quota of the social capital distributed free of charge to citizens. This problem was already discussed when Law No. 15 was formulated. At that time both drastic solutions—privatization on the basis of a 100 percent sale, without the distribution of securities free of charge, which is a privatization process with a purely economic criterion—and privatization on the basis of a free-of-charge distribution of the whole wealth of trade companies—that is, without any sale—were examined. This was the alternative supported by Mr. Cojocaru, who has now altered his proposal favoring 50 percent. Other solutions were also examined. The initial proposal in Parliament was to distribute free of charge 10 percent of the social capital of trade companies. Following debates, and bearing in mind the various proposals that were made, a quota of 30 percent was adopted as the maximum accepted limit from an economic point of view. An increase in this quota would cause a substantial decrease in the restructuring potential of the economy.

Other proposals opted for distributing ownership certificates selectively on the basis of length of service or professional training.

This proposal not only is far-fetched and requires a lot of operations to work out the differences, but it is also unfair.

The distribution free of charge of part of the wealth of trade companies is like a reparation because the accumulation of this wealth was achieved with the contribution of the whole population of this country, not only with that of the employees in the given enterprises, and only with the contribution of the activity of the population. Therefore, it is correct that the entire mature population of this country benefit, in an equal way, from this compensation. This same problem was, actually, discussed in Parliament when Law No. 15 was formulated.

As far as the formation of state ownership is concerned, fear was also expressed in connection with the danger of turning it into a bureaucratic mastodon that would stop the initiative of trade companies.

The amendments included in this law provide a better definition of the tasks of the state ownership fund and its role in backing the privatization process, in restructuring and reinvigorating trade companies, and in improving their economic performance. Certain tasks that constrained the autonomy of trade companies have been eliminated. Moreover, both the state ownership fund and the private ownership fund, as economic-financial institutions, will protect trade companies against interference by administrative-bureaucratic structures that used to limit their operational autonomy. The law envisages measures to control the activity of the state ownership fund, both through the appointment of the administration council members by Parliament, the president, and the government, and through the presentation of annual reports and programs in Parliament; these programs will include measures for an annual privatization of at least 10 percent of the securities owned initially. After seven years, the Parliament will examine the stage of the privatization process and the role played by the state ownership fund. They will cease their activity once the privatization of trade companies has been concluded. The Parliament has added a new and useful chapter to the law in connection with the general meetings, the administration councils of trade companies,

and their relations with the state ownership fund and the private ownership fund, which become shareholders of the trade companies.

A chapter of this law that caused great controversies and fears was the one referring to the privatization process initiated before the organization of the funds.

There were suspicions, and it was affirmed that it would lead to violations, corruption, noncompetitive preferences, and that it would contribute to the fact that domestic capital would be regarded inferior to the foreign one.

The role of these first acts of privatization, as stipulated by law, is, on the one hand, to verify this process in practice and experimentally and, on the other hand, to ensure the initial financial resources needed to start it off and to organize and ensure the functioning of the private ownership fund and the state ownership fund. Through the amendments included by Parliament, this initial process was limited to 0.5 percent of the trade companies, that—in a total of 6,000 trade companies—means 30 such companies that are to be selected by the National Privatization Agency—upon the advice of the relevant ministries—on the basis of the proposals made by the trade companies themselves.

Thus, one can see that this initial process refers to 30 economic units that, through their activity, will constitute a genuine test platform in the way it was actually proposed during the discussions of the draft law.

It is important that this selection of units includes trade companies of various types and of various sizes, so that this experiment clarifies things as much as possible. The provision on creating a special government commission to carry out the initial privatization process was eliminated from the draft bill; these tasks will be fulfilled by the National Privatization Agency. To prevent and eliminate corruption and influence peddling, a few important provisions have been included in this law. First, the law obliges all employees of private and state ownership funds of the National Privatization Agency, Government members, dignitaries, and parliamentarians to declare their assets before and after they end their mandate. As a matter of fact, a separate draft law has been submitted to Parliament in this respect. Second, the leadership members of trade companies selling securities will not be entitled to buy such securities. Third, the National Privatization Agency's role of checking the legality of the legal documents concluded during the privatization process has been defined. And, finally, the law envisaged giving a general clarity to the whole privatization process by organizing public auctions, through the publication of a periodical bulletin by the National Privatization Agency, by making known all operations, and by publishing annual reports and accounts of the private and state ownership funds in the MONITORUL OFICIAL, and by other such measures. The government has been given the mandate to present—within a period of six months—a draft law on the organization and operation of a stock exchange.

On the basis of its duties, the National Privatization Agency is entitled to intervene to protect national capital. It is entitled to intervene to stop the sale of securities and fixed assets when they have been underrated. The entire privatization process is linked to the process of restructuring and reinvigorating trade companies, something that will contribute to an increase in their wealth and, consequently, in the national wealth. I have just drawn a few basic conclusions that emerge from the contents of this law.

Federal

General Adzic on Resolving Yugoslav Crisis

LD2208172791 Belgrade TANJUG in English 1443 GMT 22 Aug 91

[Text] Sarajevo, August 22 (TANJUG)—Chief-of-staff of the Yugoslav Armed Forces General Blagoje Adzic said in today's interview to the Sarajevo daily OSLOBODJENJE, that the army's basic task was to prevent broad inter-ethnic clashes and civil war, and gain time and create conditions for the finding of truly democratic solutions for overcoming the crisis in the country.

General Adzic specified these solutions would suit all Yugoslav peoples, and would enable the unhindered departure from Yugoslavia of those who wish to leave, and the staying of those who want to stay.

The quest for solutions to the Yugoslav crisis, according to General Adzic, is difficult and slow because of an absence of will and readiness on the part of "certain political factors."

Adzic said he believed that Yugoslavia would survive, but said that at present, it could not be said for certain whether all its peoples would remain living within its present borders or if Yugoslavia would survive within its present territorial frameworks and borders.

Answering a remark that nearly all top command posts in the Yugoslav People's Army were held by officers of Serbian nationality, General Adzic said that "the facts were entirely different," adding that the innermost military leadership consisted of one Yugoslav, one Slovene, two Serbs and one Croat.

Adzic also said that three of the five commanders of military districts and military services were Serbs, one was a Croat and one a Macedonian. He went on to specify that until last year, these posts had been held by one Serb, two Croats, one Macedonian and one Slovene.

General Adzic underscored that the headquarters of the supreme command was unanimous. "Everything else, including manipulations of this issue, is an attempt to break up the military top and the armed forces," said Adzic.

Adzic warned that various rumours about who was in command of the Army "were unfounded."

He rejected criticisms that the Army was allegedly biased in preventing the spreading of inter-ethnic clashes, saying that such criticisms were closely linked to the theory that the Army was allegedly Serbian.

Adzic underscored that the Army was very successfully carrying out its task, and that such criticisms were "worn-out and transparent constructions aimed at achieving another goal, namely at manipulating one's own people."

General Adzic categorically denied speculations that the Yugoslav People's Army possessed nuclear war (?arms) and emphasized that the Army "does not have any other arms except sophisticated conventional weapons."

Presidency Session Begins in Belgrade

LD2308114191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1045 GMT 23 Aug 91

[Text] Belgrade, 23 Aug (TANJUG)—A session of the SFRY Presidency, presided over by Stjepan Mesic, began in Belgrade at 1130. It has been reported that, Federal Executive Council [FEC] President Ante Markovic; Milan Kucan, president of the Presidency of the Republic of Slovenia; Milan Ramljak, vice-president of the government of the Republic of Croatia; Petar Gracanin, federal secretary for internal affairs; Admiral Stane Brovet, deputy federal secretary for national defense; and Blagoje Adzic, chief of general staff of the SFRY Armed Forces, are also taking part in the session.

The SFRY Presidency has on its agenda the report of the commission for supervision of the cease-fire in the Republic of Croatia, and it will also discuss the position of the Yugoslav People's Army [YPA] and all-people's defense in the period of the moratorium and the transitional period. Under this point it will also consider the question of the position and role of the YPA in the conflicts in Croatia, outstanding issues related to the YPA withdrawal from Slovenia, and problems of recruitment to the YPA.

The SFRY Presidency will also consider a report on the illegal importation of arms and military equipment.

Mesic Receives Al-Qadhdhafi's Special Envoy

LD2308081391 Belgrade TANJUG in English 1821 GMT 20 Aug 91

[Text] Belgrade, 20 Aug (TANJUG)—SFRY Presidency President Stjepan Mesic today received Muhammad Husni Sha'ban, general secretary of the Libyan Ministry of Foreign Affairs [name and title as received] and special envoy of Libyan President al-Qadhdhafi, who delivered to him a message from President al-Qadhdhafi and an invitation to attend the festivities to celebrate the anniverssary of the Libyan revolution.

Government Hails USSR Developments

LD2208202591 Belgrade TANJUG in English 1755 GMT 22 Aug 91

[Text] Belgrade, August 22 (TANJUG)—Soviet President Mikhail Gorbachev in today's message to the Yugoslav leadership says that the Soviet Union will fullfill all its obligations towards Yugoslavia resulting from the last agreement with Yugoslav Government.

Yugoslav Foreign Minister Budimir Loncar set out the contents of Gorbachev's message at today's session of the Yugoslav Government.

The agreement on a de-blocking of economic relations between Yugoslavia and the Soviet Union was signed for the Yugoslav side by Yugoslav Prime Minister Ante Markovic during his visit to the Soviet Union in early August.

The Yugoslav Government has assessed that Gorbachev's taking over of constitutional duties will enable "an acceleration of democratic processes in the Soviet Union, with a more efficacious implementation of reform changes initiated by Gorbachev."

The latest events in the Soviet Union are of long-term importance "because they, for the time being, have destroyed illusions held by those forces which believe that the way out of a crisis is through the use of forces" as is underscored in a statement issued after the Yugoslav Government session.

The government believes that the events in the Soviet Union can serve as an example for the current situation in Yugoslavia, that is, for an urgent ending of conflicts and the continuance of the forcefully-severed economic and political reforms in the country.

Loncar on Soviet Events, Bonn Attitude

AU2208163891 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 22 Aug 91

[Text] The outcome of the coup in the Soviet Union has removed all dilemmas about that country's future. There are still many unsolved questions, but it is clear that democratic changes in the Soviet Union are irrevocable. This is what Budimir Loncar, federal secretary for foreign affairs, said at the regular news conference at the Secretariat for Foreign Affairs. Here are more details about the news conference in a report by Azra Nuhefendic:

[Nuhefendic] The outcome of the coup in the Soviet Union shows that the Soviet people are very determined to continue reforms on democratic bases. The influence of [word indistinct] on solving similar situations will be analogous. Just as perestroyka influenced processes in the world, so will the resolution of Soviet events make processes in world relations accelerate, Budimir Loncar, federal secretary for foreign affairs, said.

[Begin Loncar recording] The turnabout has not surprised us, but the speed with which it has come has surprised us and made us sincerely happy. First, this is because all dilemmas, all concern about further (?development) in the Soviet Union, and therefore in the world, was removed by this. In fact, many [word indistinct] dilemmas do remain, but within an absolutely [word indistinct] view that changes in the Soviet Union are democratic processes and that they are irrevocable in perestroyka. [end recording]

In reply to the question about the way Moscow events affect the situation in Yugoslavia, Minister Loncar pointed out that many people expected events in the Soviet Union to be reflected in Yugoslavia in the same way. What happened, he said, was exactly the opposite. He proved this stand with the example of the two-day session of the SFRY Presidency when it, [words indistinct] in Moscow, expressed its resolution to have the adoption of a joint agreement on the Yugoslav crisis speeded up. The agreement was reached to halt all conflicts and to open a process of reaching permanent peace and negotiations on the future of Yugoslavia.

(?How do) events in the Soviet Union pull away the attention of the world public from the events in Yugoslavia, reporters asked. On the contrary, Loncar said and, quoting telephone conversations he had with Dutch Minister van den Broek and Italian Minister de Michelis today, said that the concern about the Soviet Union in fact increased the other concern about Yugoslavia and incited a more active attitude toward what is happening in our country.

The Nonaligned Movement also shows an increased interest in what is happening in Yugoslavia and expresses a wish for us to solve problems as soon as possible. Many friends have offered help, but it is clear to us that nobody can solve our problems without us, Loncar said.

One of the questions was: Considering the present disagreements among the republics, is anybody calling Yugoslavia's nonaligned policy into question? Loncar replied that Yugoslavia's nonaligned status is not called into question, that the question is asked (?in the Nonaligned Movement) all the time whether its entire policy is in accordance with the times and whether it is productive enough. According to Budimir Loncar, despite the crisis that Yugoslavia is going through, nobody in the movement is calling its position of chairman into question.

Loncar also replied to a question about the allegedly (?double) policy of Germany toward Yugoslavia. Germany, Minister Loncar said, most of the time expressed its view of Yugoslavia as a whole and a united internationally recognized factor. Individual statements have sometimes deviated from this, but I do not think there is any reason for us to reexamine Bonn's attitude toward our country, Budimir Loncar said answering journalists' questions at the regular news conference in the Federal Secretariat for Foreign Affairs today.

Presidency Forms Commission for Accord Proposals

LD2208142291 Belgrade TANJUG in English 1326 GMT 22 Aug 91

[Text] Belgrade, August 22 (TANJUG)—A commission for the preparation of proposals for a political accord on

the future Yugoslav community was set up at the Yugoslav State Presidency session on Wednesday, the president Information Office announced.

The commission is made up of Presidency members Vasil Tupurkovski (president), Janez Drnovsek and Borisav Jovic.

The Yugoslav Presidency last night ended its two-day session and agreed that conditions for the minimum economic and political functioning of the state be ensured until an accord on the country's future is reached. The Presidency also agreed that the functioning of the Yugoslav market, monetary and foreign exchange system, customs and budget policy be ensured.

Commission for Future Political Agreement Formed

AU2208170891 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 22 Aug 91

[Text] The SFRY Presidency formed a commission for the preparation of the draft political agreement on the future of the Yugoslav community at it session yesterday. The commission consists of the following Presidency members: Vasil Tupurkovski [SFRY Presidency member from Macedonia], as the president of the commission, and Janez Drnovsek [SFRY Presidency member from Slovenia] and Borisav Jovic [SFRY Presidency member from Serbia]. Srecko Medic, who is the head of the SFRY Presidency Service for Social and Political Questions and Relations in the Federation, was appointed the secretary of the commission. It has been reported that the commission has already begun its work.

Croatia

Tudjman Cables SFRY Presidency on Situation

LD2208231791 Zagreb Radio Croatia Network in Serbo-Croatian 1725 GMT 22 Aug 91

[Interview with President Tudjman by correspondent Lackovic on 22 August; place not given—live or recorded]

[Excerpts] [Lackovic] Citizens who have the interests of our republic at heart have the right, and I am sure that they expect, to hear from their president his assessment of the present situation and the steps which you [Tudjman] personally and the government are taking to prevent this aggression against Croatia.

[Tudjman] Yes, one has to agree with you that we are experiencing difficult times. Probably, we are nearing a denouement which is pregnant with further dangers. At today's session of the Supreme State Council of the Republic of Croatia we examined the present situation and we presented our conclusions in a letter which I have sent to the Yugoslav Presidency. Since the letter is very important, I would say of historical importance, it would be best if I read it in reply to your question:

To the Presidency of Yugoslavia.

In accordance with the conclusions of the Assembly of the Republic of Croatia of 3 August, and the stands adopted at the 23d session of the Supreme State Council of the Republic of Croatia of 22 August, that is today, I submit to the SFRY Presidency the following demands:

1. That the Yugoslav Presidency call on all those who have taken up arms in rebellion against the legal government of the Republic of Croatia, armed by the Republic of Serbia and the Yugoslav Army, to observe the decision on a cease-fire, and to hand over their arms to the legal government of the Republic of Croatia or the Yugoslav Army.

2. That the Yugoslav Presidency call on the Republic of Serbia to immediately halt the organization and assistance of the armed rebellion and aggression against the Republic of Croatia aimed at the violent appropriation of its territory.

3. That in its capacity as Supreme Commander of the Armed Forces, the Yugoslav Presidency should order the Yugoslav Army, (a) to immediately cease provocative movements and reconaissance and military action on the territory of the Republic of Croatia and withdraw to barracks; (b) to release soldiers who have completed their military service and reservists, and to reduce the size of units to their regular peacetime state; (c) to coordinate their activity on the territory of the Republic of Croatia with its legal government.

4. That the Yugoslav Presidency should begin the process of establishing the accountability of all those officers of the Yugoslav Army who are responsible for unconstitutional actions on the territory of the Republic of Croatia, for the arming of the outlaw terrorist groupings from Yugoslav Army sources, for participation in aggression against the civilian population, and the destruction of material and cultural wealth, for the political and military involvement of individuals and units of the Yugoslav Army against the forces of order in the Republic of Croatia and against the democratic government of the Republic of Croatia.

In this connection we are seeking a response to our demand to the Yugoslav Presidency of 10 July with regard to Colonel-General Blagoje Adzic and Colonel-General Zivota Avramovic.

5. That EC observers be included in the supervision of the implementation of these demands in accordance with the Brioni declaration of 7 July.

If the Yugoslav Presidency and Yugoslav Army do not satisfy these demands by 31 August, and if the armed operations to destroy the constitutional and legal order of the Republic of Croatia and the occupation of its territories continue, according to the plans to include them in a Greater Serbia or remainder of Yugoslavia, the Republic of Croatia will consider that the Yugoslav Presidency is directly responsible for the aggression

against the Republic of Croatia and the Yugoslav Army as an army of occupation, and we will accordingly take all necessary steps for the protection of our territorial integrity and sovereignty in accordance with the constitution of the Republic of Croatia and the constitutional decision of 25 July.

Zagreb, 22 August 1991. President of the Republic of Croatia.

I have also sent a copy of this letter to all the presidents of the republics, or presidents of the republican presidencies, and the president of the Federal Executive Council and the Federal Secretariat for National Defense. I believe that the answer to your question and to the questions of all citizens of the Republic of Croatia lies in these demands, with regard to what we in the government of the republic intend to do in the coming period.

[Lackovic] Mr. President, President of the Federal Presidency, Stipe Mesic, has convened another session for tomorrow, and the main point on the agenda will be the questions related to the position of the YPA [Yugoslav People's Army] do you personally believe that the Presidency, considering its composition, can reply positively to these Croatian demands?

[Tudjman] Considering its composition it is hard to expect [words indistinct], but I would not like to be such a pessimist as to preclude the possibility that even within such a framework a grain of reason may be awoken at the last minute, and the lessons learned from the failure of the conservative, dogmatic putsch in the USSR, that an attempt may be made perhaps at the last moment [words indistinct] the aggression against Croatia, that it may try to understand that already the whole of Yugoslavia and Croatia in particular have become involved in such bloodshed, and that if it is not stopped, it threatens further catastrophic consequences. For this reason I would like to believe that in the face of historic responsibility before its own people, whom it represents, before Europe, it may nevertheless adopt stands which would enable us to resolve the Yugoslav crisis in a peaceful and democratic manner.

(Lackovic) Yesterday, at a news conference in Belgrade, 31 August was given by Colonel-General Marko Negovanovic as the date on which the military and territorial organs will take over the operations of military service in all republics apart from Slovenia, in other words, in Croatia as well. He threatened criminal prosecution of those who, as he put it, sabotage the law on military service.

(Tudjman) This statement by Gen. Negovanovic is in the spirit of the military putsch of a kind which we in Yugoslavia and in Croatia are in fact already experiencing. Perhaps the general did not know how these coups end, as in the case of the one in the USSR. It is to be expected that at tomorrow's Yugoslav Presidency session there will be full discussion of the problem of the Yugoslav Army in Yugoslav political life, and in this connection, and in the spirit of our demand, this issue which Mr. Negovanovic is talking about should be discussed. Moreover, the leadership of Yugoslavia itself, and in particular the Yugoslav Army, has already brought about the fact that it is difficult to talk of a Yugoslav People's Army. It is formally still Yugoslav, but in fact it has already become a Serbian army which is felt, unfortunately, by every citizen of this country. [passage omitted]

[Lackovic] You have already mentioned in this conversation the unsuccessful attempt at a coup in the USSR. In this connection you sent a letter today to President Mikhail Gorbachev on the occasion of his resumption of duties. Among other things the letter says that this outcome can have a positive effect on the outcome of the Yugoslav state crisis as well. Please comment on this.

[Tudjman] What I meant was that dogmatic communist elements from the ranks of the Yugoslav Army linked with Greater Serbian elements in fact signaled such a chain of events as we have had in Yugoslavia and in the war against Croatia, and such as we have just seen in the Soviet coup. In the instructions of the [army] political directorate to the officers of the Yugoslav Army, they forsaw that there would have to be actions by the socialist forces against the democratic governments in Croatia and Slovenia, of which they said that they were only imports from Western capitalism, or that this was only a temporary victory of the counterrevolution, so that the future of even the whole world, according to them, belongs to communist socialism. It is therefore, obvious, and we have some indications, that these and such elements were not only in collusion; but were also hatching plots, in the wider European framework, in other words, that the action in Yugoslavia and the attempted coup in the USSR was in line with the restoration of communist socialism. It is obvious that the failure of the coup in the USSR must discourage similar champions in Yugoslavia, should bring them to their senses so that they desist from their plans, the more so since Europe is, I hope and am sure, far more interested in establishing peace in Yugoslavia than it is in the events in the great expanses of the USSR. Besides, it is hard to imagine that the EC and United States could possibly involve themselves in the barren Euro-Asiatic territories in the USSR, but it is easy to imagine that in such an important political region as Yugoslavia, the EC would have to involve itself both with its peace missions, and if necessary with peace forces. [passage omitted]

Council Denies Importance of Presidency Session

LD2208212891 Belgrade TANJUG in English 1858 GMT 22 Aug 91

[Text] Zagreb, August 22 (TANJUG)—The Yugoslav Presidency "did not make any important steps to overcome the crisis" in Yugoslavia at its latest session, as the Supreme State Council of the Yugoslav republic of Croatia announced today.

"On the contrary, Serbia's territorial claims on Croatia and some other republics have become more openly expressed, hence requiring a more energetic stand of the republic of Croatia," the announcement said.

An accord was reached at a Yugoslav Presidency enlarged session which ended last night, concerning the functioning of Yugoslavia's economic and legal system until the country's new organization is agreed on.

The accord reaffirmed the right to self-determination, including secession, for every nation as well as a conclusion that Yugoslavia's internal and external boundaries could not be changed by force.

Clashes between the republican armed formations and armed Serbian civilians continue in Croatia. The conflict particularly intensified after Croatia's June 25 decision to secede, which is what the Serbs in Croatia oppose.

A three-month moratorium was imposed on the decision through the July 7 Brioni declaration. The Yugoslav Presidency decided on August 6 that a ceasefire should be unconditionally established in Croatia and formed a ceasefire monitoring Federal commission.

The Croatian State Council today said that it had been found out that the Federal commission did not perform its duty successfully.

"Reports of the defence and interior ministries of the Yugoslav republic of Croatia as well as of the crisis staff president confirm that Croatia's defence is being consolidated," the announcement said.

Supreme State Council Statement on Defense

LD2208220191 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 22 Aug 91

[Text] The 23d session of the Supreme State Council was held today in Zagreb. It was presided over by President Tudjman. As the session statement says, reports were discussed on the Yugoslav Presidency's expanded session, as well as reports by the ministers of defense, internal and foreign affairs, by the members of the State Commission for Monitoring the Cease-Fire, and a report by the president of the Crisis Headquarters and some other issues.

It was stated that at the last expanded Yugoslav Presidency session, no significant move toward overcoming the crisis had been made. On the contrary, Serbia's territorial aspirations toward Croatia and some other republics assumed an even more explicit form. All this requires a more resolute attitude by the authorities of the Republic of Croatia toward the mounting aggression. The meeting of Zvonimir Separovic, minister for foreign affairs of the Republic of Croatia, with German foreign minister Hans Dietrich Genscher was assessed as being successful. The failed coup in the Soviet Union, the Council maintains, may weaken similar forces in Yugoslavia. Croatia's defense is being consolidated, while important successes have been achieved by Croatia's defense forces, despite an imbalance in weaponry. There is also growing pressure from officers of the Yugoslav Army, not just Croats, who want to leave the Yugoslav Army and join Croatia's defense.

It was established that the Federal Commission for Monitoring the Cease-Fire is not doing its job successfully, whereby instead of having a truce, the aggression against Croatia is esacalating. The other side also does not honor the agreements reached on the exchange of prisoners of war. The council was informed about the start of the dismantling of military facilities and production capacities. The Croatian Government will be asked to freeze this property and embark on a process of dissociation. The conditions set by the restructuring of the economy and ownership relations, and the distortions in the functioning of the legal system, stemming from the aggression against Croatia, have brought about a rise in fraud and thefts in the economy. The council will therefore suggest to the government and other institutions to take measures to prevent and punish the abuse and plundering of Croatia's property, it is stated at the end of the statement from today's session of the Supreme State Council.

Government Decisions on Refugees, Injured

LD2208233491 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 22 Aug 91

[Text] A session of the government of the Republic of Croatia was held in Zagreb today. The session, chaired by Franjo Greguric, reached a number of significant decisions. Kreso Zadravec reports.

Let us first note that the government passed a decree which authorizes the minister of labor and social care to take possesion, on behalf of the Croatian government, of hotels and holiday facilities belonging to firms and individuals whose permanent address is outside Croatia and to use them in order to provide accommodation for refugees and those with minor injuries. This decree is not applied to property owned by foreign legal entities and individuals. The demand will be also addressed to the Federal Executive Council to give its approval to the use of the Army's holiday facilities in the territory of Croatia, which will also be used to accomodate refugees and people recovering from minor injuries.

Apart from this, about 100-110,000 refugees are being cared for in Croatia. In light of the continuation of the aggression against Croatia new waves of refugees can be expected, and this is why they should be provided with temporary accommodation even in this way.

It is the government's firm stand that this is a matter of temporary refugees, and that any resettlement of population is totally out of the question and that the conditions should be ensured as soon as possible for them to return home. This aspect of the aggression against Croatia should also be internationalized, and in future, it was concluded, any possible exodus should be organized

and conducted only in cooperation with the Crisis Headquarters. There should be no spontaneous exodus.

Toward the end of the session, Franjo Greguric informed the participants about the course of yesterday's Yugoslav Presidency session and about his firm opinion—which was included in its conclusions as a separate opinion—that Croatia does not acknowledge those items in the federal budget which are earmarked for financing the Yugoslav Army; the army which is inflicting casualties and material damages on the Republic of Croatia. He also announced a session of the Yugoslav Presidency scheduled for tomorrow, at which the Yugoslav Peoples' Army [YPA], its future, and particularly its conduct in recent days in Croatia, will be discussed.

Let us note that the government decided that the deputy ministers in the ministries for information, tourism, water and sewage, Milovan Baletic [information], Oto Lukacevic (tourism) and Vili Bodicka [Water and Sewage] perform these ministerial duties until the ministers of these portfolios are appointed.

The government of the Republic of Croatia was also informed about the preparations for a peace march in support of recognition for the sovereignty of Croatia, organized by Croatian parties, and also by parties from Austria, Germany, and Belgium. Let us also note the government decision on its exclusive rights to direct fresh monetary supplies to Ljubljana bank and Jugobanka branches to enable them to normalize their operations in Croatia's territory. This decision, is exceptionally significant for the holders of hard currency and dinar savings accounts in the Republic of Croatia who entrusted these banks with their money.

Granic Comments on Refugee Situation

LD2308104891 Belgrade TANJUG Domestic Service in Serbo-Croatian 0901 GMT 23 Aug 91

[Text] Zagreb, 23 Aug (TANJUG)—So far, more than 110,000 people have left their homes in Croatia, and in the republic itself "we are caring for some 42,000 which is costing us almost 500,000 German marks daily", said Mate Granic, vice president of the republican government, at today's news conference in the (Croatian) Assembly. This human, social, and economic problem, according to Granic, can hardly be resolved by Croatia alone "and we have turned to all international humanitarian institutions and friendly governments for assistance".

Vice President Granic told journalists that the government adopted a decision yesterday on taking over all hotel and catering facilities, whose owners are outside the Republic of Croatia, for the accommodation of refugees. "The costs so far for medical treatment and buildings destroyed amount to DM197 million," Granic said. According to government information, 210 persons have died and 664 have been wounded up until yesterday, not including figures for Dalj.

"We have only one way out—an active defense war for which we have to prepare the whole population of Croatia and all Croats abroad," Granic assessed in conclusion.

Industry Securing Arms Production

LD2308130291 Belgrade TANJUG Domestic Service in Serbo-Croatian 0952 GMT 23 Aug 91

[Text] Zagreb, 23 Aug (TANJUG)—"Arms are a weak point, and we are taking care to secure them," said President of the Croatian Government Franjo Greguric at today's news conference, assessing that the strategy for the defense of the republic is based on manpower and weapons. Greguric said, in particular, that as far as assistance in weapons from Slovenia is concerned, "we have not received to an appropriate extent the help which we anticipated."

Defense Minister Luka Bebic informed journalists at the same time that Croatian industry "is in the process of manufacturing—including large-scale manufacture—military equipment: mortars, hand-held launchers, mines, bombs, and so on." According to Bebic, "Croatian industry is prepared, and the production of many of our own weapons is under way—which will be intensified, together with other procurements. because we are facing a war, perhaps even a lengthy one, and are directing industry toward this sphere of production as well."

Attack on Cease-Fire Group Denied

LD2208143791 Zagreb Radio Croatia Network in Serbo-Croatian 0730 GMT 22 Aug 91

[Text] The municipal crisis Headquarters in Sibernik reported that the cease-fire has been fully observed by the Croatian side. It resolutely refuted the insinuations of the Federal Secretariat for Internal Affairs that fighters of the legal Croatian forces opened fire in the Stradin area on a joint group of the Yugoslav Presidency's Cease-fire Commission.

In that way the impartiality of the joint group of the Presidency's Cease-fire Commission has again been brought into question, the statement of the Sibenik crisis Headquarters says.

Interior Ministry Revised Death Count

LD2208205291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1245 GMT 22 Aug 91

[Text] Zagreb, 22 Aug (Tanjug)—The daily report by the Ministry of Internal Affairs [MUP], distributed to journalists in the Croatian Assembly today states that nine soldiers have been killed and 19 injured during armed clashes in Croatia during the past year. According to the same source, "a large number of terrorists were also killed in armed clashes, while 166 have been captured. A large quantity of various arms and ammunition, mainly

of army origin, was confiscated from them." Some 486 criminal reports have been filed against "terrorists."

According to the Ministry information, yesterday and last night "20 terrorist attacks were carried out in Croatia in which four civilians were killed and three civilians and one MUP member wounded."

Today's report says the MUP has new information about "terrorist" casualties. While yesterday's MUP report estimated that at least 27 terrorists died in the past fortnight, that is, since the cease-fire decision came into force, today's report estimates that some 80 "terrorists" died during this period. Both reports carry the same information about seven wounded and 33 captured "terrorists."

Four Injured by Bomb in Karlovac Restaurant

LD2308084791 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 23 Aug 91

[Summary] Four civilians were injured last night in a bomb explosion in a restaurant in a suburb of Karlovac, journalists were told at the Karlovac police headquarters today. The bomb went off at 0100 [on 23 August] when the restaurant was open. There was more shooting last night in the surrounding areas of Karlovac on the Plitvice road.

Armed Clashes Continue in Pakrac

LD2308083591 Belgrade TANJUG Domestic Service in Serbo-Croatian 0744 GMT 23 Aug 91

[Text] Pakrac, 23 Aug (TANJUG)—In Pakrac, where armed clashes are continuing for the fifth day running, powerful explosions were heard shortly after midnight and again this morning at about 0700. According to information today from the Pakrac police station, several grenades fell last night on the town itself, from which some 7,000 people have fled so far. Those remaining await each new hour with fear and anxiety.

At about 0600 this morning, a major fire broke out in Pakrac at the Papuk timber industry combine. Few firemen responded to the call to the voluntary fire-fighting association since the majority have already fled the town. The finishing shop has burned down, and the warehouse is on fire. The combine, with 1,300 workers, was the mainstay of economic development in the municipality.

The combine had already been attacked yesterday morning from the direction of Kusonje, when four policemen of the Croatian Ministry for Internal Affairs there were wounded. The armed conflict resumed here at around 1800, first with infantry and later with artillery weapons.

Osijek Military Command Demands Electricity Supply

AU2308090791 Belgrade Radio Belgrade Network in Serbo-Croatian 2000 GMT 22 Aug 91

[Text] After yesterday's decision of the Crisis Headquarters for Eastern Slavonia to cut off supplies to the military installations in the Osijek area, the Command of the Yugoslav Peoples' Army Garrison in Osijek is demanding an immediate lifting of the blockade imposed on the supply of electricity. The command expresses belief that the demand will be affirmatively and promptly resolved.

Osijek Mayor Zlatko Kramaric has assessed that the Command's demand was sent to the wrong address, as the decision was made by the Crisis Headquarters for Eastern Slavonia and not by the Osijek Communal Assembly.

Army Unit Supplies Remain Cut Off in Osijek

AU2208193991 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 22 Aug 91

[Text] While the situation in Vukovar and [name indistinct] last night was relatively peaceful, armed conflicts in Osijek have not stopped. Here is a report by Mirko Stankovic:

[Stankovic] Let us start with the news that water, electricity, telephone lines, and supplies to the units, that is, the garrison of the Yugoslav People's Army in Osijek, have been cut off since yesterday. This decision was presented by Vladimir Seks, commander of the crisis headquarters, and resulted from, as he said, the Yugoslav Army's attack at the center of Osijek.

The commander of the garrison, Stojancev, reacted to this stupid decision, demanding that the authorities repeal it immediately, or all responsibility for any ensuing consequences would have to be borne by those who ordered the cutoff.

Since last night, the citizens of Beli Manastir are finally feeling relief. Explosions, shootings, and fires are becoming only a part of the ugly past, because the peace and security in this otherwise quiet town of Baranja is now also kept by the Yugoslav People's Army. Commune President Dr. Rudolf Emert and (?Denis) Soja, president of the communal government, have tendered irrevocable resignations, and a Yugoslav tricolor has replaced the [Croatian] checkerboard flag on the police station building.

While the situation is consolidating and the new authorities are being constituted in this part of the crisis area, armed conflicts in Osijek commune are not abating. Mortar attacks were directed at Laslovo, which was hit by 70, which is, according to the Croatian Television report, as many as 300 mortar grenades [sentence as heard]. One person was killed and three wounded in the attack, and the material damage was huge. Considerably

fewer grenades fell in Ceminac and Ernestinovo, where a fire broke out that firemen fought almost the whole night until they localized it. The situation was similar in Darda, where a grenade caused a fire in a silo.

There were five strong explosions in Osijek last night. Their locations and damage are still being established.

The swollen Danube gave up six male corpses near the bridge at Bogojevo yesterday. They still have not been identified. The water also enabled two guardsmen to escape the flooded willow groves and surrender to the Yugoslav People's Army.

A hundred Croatian refugees from Osijek have been sent to Hvar in the organization of the bishopric during the last two days, and 1,000 children who spent some time in hotels along the Adriatic coast for safety reasons are returning from their touristic refuge to Vukovar today.

Army Claims Aircraft Fired Upon in Sarvas

AU2308090091 Belgrade Radio Belgrade Network in Serbo-Croatian 2000 GMT 22 Aug 91

[Text] The Information Service of the Command of the Air Force and Anti-Aircraft Defense Division informed the public about the reasons for which the combat airplanes opened fire in the region of Sarvas.

The airplanes of the Air Force were again attacked by firearms this morning and were damaged on this occasion. The pilots responded with fire and managed to land at the military air base despite the damage.

Red Cross Vehicles Attacked Near Pokule

LD2208210891 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 22 Aug 91

[Borivoj Zimonja report from Pokupsko]

[Text] Today at about 1300, two trucks and a Citroen ambulance van bearing Red Cross markings were attacked. Two other trucks were also attacked. The vehicles were proceeding from Vidusevac to Pokupsko. There were about 40 attackers says Mato Perkovic, commander of the Pokupsko police station. Their attack came from the woods of Pokule. The consequences are unfortunately tragic. One guardsman was killed, and two were seriously wounded. For the time being, two guardsmen are unaccounted for, but they are believed to have found refuge.

The Chetniks dispersed after police forces intervened, so they found only five machinegun nests as the only remains and evidence of the attack against the guardsmen.

Ogulin Special Unit Member Killed in Trzic

LD2208211291 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 22 Aug 91

[Text] This morning, shortly after 0700, police and National Guard forces set out to lift a blockade imposed on the local Kukaca-Trzic-Slunj road. As they were making their way from the direction of Kamenica, they encountered fierce resistance from Knin's terrorists and outlaws. They were driven to the very center of the strategically important town of Trzic. The local police forces of this area arrived from the direction of Slunj to assist in liberating Trzic and Primislje, but they were stopped by the Army. In the words of Ante Ujevic, the commander of the Ogulin police station, the attack on Trzic claimed the life of Zeljko Brozovic, a member of a special unit from Ogulin. The battle ended today after 1400, when the Army entered Trzic from the direction of Plitvice and its training grounds. There is no information about the dead and wounded outlaws in the battlefield between Kamenica and Trzic.

'Fierce' Fighting Reported in Komarevo, Sunja

LD2208211591 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 22 Aug 91

[Zeljko Rosko report from Sisak]

[Text] Sixteen wounded guardsmen, an ambulance driver, and as we have unofficially learned, three dead guardsmen are the casualty toll so far from this morning's three-hour, fierce, gunfire and mortar shelling aimed at positions of the National Guard and the Ministry for Internal Affairs in Komarevo and Sunja. In spite of this, the Croatian Armed Forces have repelled this attack and inflicted heavy losses on the enemy side. All the wounded guardsmen have been given medical treatment in Sisak's hospital.

An attack lasting two and a half hours was also launched on Hrvatska Kostajnica this morning from the direction of Cukur, which is controlled by Chetnik forces. As we have learned, the 43 grenades launched onto the town center and the railway station wounded only two civilians and one policemen of the unit that controls Hrvatska Kostajnica. A number of houses were hit and burned down. Let us say that a number of grenades were launched from Chetnik positions in Bosnia. This morning, the village of Petko in the Petrinja municipality was not spared either. Some 10 grenades landed there, but without any consequences.

Eight Serbs Reported Killed Near Sisak

AU2208203491 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 22 Aug 91

[Dragan Bera report]

[Text] A dreadful crime took place in the village of Kinjacka near Sisak today. Members of the [Croatian] Ministry of Internal Affairs have killed at least eight and

wounded several tens of Serbs in the village. The wounded are hospitalized in Dvor na Uni, Prijedor, and Banja Luka. The members of the [Croatian] Ministry of Internal Affairs and the Guard wearing uniforms of the Yugoslav People's Army arrived in Kinjacka in two armored personnel carriers this morning. They were shooting at everything that was moving.

They locked several families into two houses and then set the houses on fire with mortar grenades. Doctors in Dvor, Prijedor, and Banja Luka are fighting for the lives of the wounded.

There are suspicions that the number of the dead is by far larger than the survivors say, because the members of the [Croatian] Ministry of Internal Affairs and the Guard continued killing people in the nearby villages, too.

Air Force Bombs Slavonian Village of Banat

LD2208180791 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 22 Aug 91

[Text] According to a number of reports sent by the villagers of Bilje, several military aircraft flew over this village in Banat and bombed it shortly afterwards. Apart from the military aircraft, other military weaponry has also been in action.

Five armored carriers and four tanks have emerged from the military training grounds of [word indistinct] in Osijek's Vinkovici road and are now proceeding toward Antunovac; their objective is a transformer near a local station of the Croatian Railways in (?Brijest).

One assumes that the attack on the transformer is motivated by the fact that the Army has been denied a power supply. One overhead 10-kw transmission line and two 35-kw transmission lines have been pulled down. This will not affect the power supply to Osijek and its neighboring villages; nevertheless, a great deal of material damage has been inflicted.

In the course of this afternoon, several military aircraft were overflying the outskirts of Osijek. The new wounded have been continuously streaming into Osijek's General Hospital, and so far 29 of them have been treated since this morning; one civilian has died.

Slavonija, Baranja Clashes Wound 18, Kill One

LD2208143291 Zagreb Radio Croatia Network in Serbo-Croatian 1230 GMT 22 Aug 91

[Excerpt] Following fighting on the Slavonija and Baranja battlefields today, Osijek Hospital has so far received 18 wounded persons, while one civilian was killed. A Dutch journalist, [name indistinct], was wounded in Sarvas. [passage omitted]

Army Controls Knezevo Border Crossing

AU2308120691 Belgrade Radio Belgrade Network in Serbo-Croatian 1000 GMT 23 Aug 91

[Text] The Baranja Territorial Defense (?rebel) units succeeded in conquering Petlovac village last night, from which they chased away an Ustasha battalion consisting of approximately 500 to 600 guardsmen. The guardsmen retreated partially toward Drava and partially fled to Luc village. A group of 15 guardsmen is fleeing toward the Knezevo border crossing between Yugoslavia and Hungary. The customs officers on the border crossing have sought refuge in the border guardhouse, others have fled to Hungary. The Yugoslav People's Army border troops have taken over the border crossings and the Knezevo-Udvar border crossing is closed to traffic at the moment.

During yesterday's air operations there were no wounded or dead among the members of the Baranja Territorial Defense units. In those units Serbs, Croats, Macedonians, Montenegrins, and Muslims—all peoples and nationalities who live on the territory of Baranja and wish to remain in Yugoslavia—are fighting shoulder to shoulder. The (?rebel) units of the Baranja Territorial Defense units at the moment control 50 percent of the territory. Yugoslav laws and the SFRY Constitution are in force on this territory.

Attack on Czech-Populated Village Reported

LD2208124391 Zagreb Radio Croatia Network in Serbo-Croatian 1130 GMT 22 Aug 91

[Excerpt] We have been informed by the Grubisno Polje police station that terrorists attacked Ivanovo Selo this morning. This village, mainly populated by Czechs, was the target of mortar and machine-gun fire. Police forces and members of the National Guard successfully repelled the attack that had been, once again, launched from the village of Rastovac. [passage omitted]